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TO WILL
AMACILAO



VENEZUELAN AND GEORGETOWN STUDENTS FRATERNIZING AT THE FOOT OF
STATUE OF SIMÓN BOLÍVAR

SERIES II

BULLETIN NO. 1

Georgetown University

SCHOOL OF FOREIGN SERVICE



VENEZUELA

AN ECONOMIC REPORT PRESENTED BY STUDENTS
OF THE SCHOOL OF FOREIGN SERVICE
AS AN AID TO THE FOREIGN TRADE
OF THE UNITED STATES

PUBLISHED BY THE UNIVERSITY
WASHINGTON, D. C.
APRIL, 1921

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THIS REPORT
THE FIRST OF A SERIES OF ECONOMIC SURVEYS OF THE COMMERCIAL
AREAS OF THE WORLD TO BE CONDUCTED AS AIDS TO
AMERICAN OVERSEAS COMMERCE
BY
STUDENTS OF THE SCHOOL OF FOREIGN SERVICE

Is Dedicated

TO

Señor Doctor Esteban Gil Borges

MINISTER OF FOREIGN RELATIONS OF
VENEZUELA

UPON WHOM AS REPRESENTING THE PEOPLE
OF
THE LAND OF BOLÍVAR
GEORGETOWN UNIVERSITY WILL CONFER
WITH FELICITATIONS

THE HONORARY DEGREE OF

Doctor of Laws

ON APRIL TWENTY-SIXTH
NINETEEN HUNDRED AND TWENTY-ONE



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REPORT OF THE REGENT OF THE SCHOOL OF FOREIGN SERVICE
TO THE PRESIDENT OF GEORGETOWN UNIVERSITY, WITH
RESPECT TO THE VISIT OF CERTAIN STUDENTS OF THE UNI-
VERSITY TO VENEZUELA.

OFFICE OF THE REGENT

SCHOOL OF FOREIGN SERVICE
GEORGETOWN UNIVERSITY
WASHINGTON, D. C.

March 1, 1921.

To the President of Georgetown University.

Sir:

I hand you herewith papers relating to the visit to Venezuela made by a group of eighteen students in the summer of 1920. These papers comprise a brief report of the trip, by Dr. G. A. Sherwell, who was in charge of the mission, some of the essays on the economic resources of Venezuela, prepared by the students, and, in the appendix, a translation of a notable address delivered by Dr. Itriago Chacín at the close of the Georgetown students' sojourn in Caracas, together with editorial comments from certain journals of this country and Venezuela. I venture to refer briefly to each of these documents.

Dr. Sherwell's report makes clear how great was the courtesy shown and how extensive were the facilities afforded to the Georgetown students by the official and academic authorities of Venezuela. I believe the University, and for that matter academic circles outside our own University in this country, must be grateful for the many attentions and unfailing interest manifested by the Venezuelan officials and teachers in the work of these students.

Dr. Sherwell's report likewise makes clear that the contact was a valuable one for the particular students who made the trip, and that they bore themselves well and creditably. All the more satisfaction may be derived from this fact inasmuch as the students selected might be fairly taken as a cross section of the student body in the School of Foreign Service,—and you are already aware how widely representative of the youth of our country that student body is. That these young men should have made a favorable impression in a rather long trip of this character when they were under the observation of a great number of persons, and often in situations calling for a demonstration of no inconsiderable poise and sense of the fitness of things, can not but enhance our satisfaction and our confidence not merely in the resourcefulness but in the trustworthiness of the men upon whom this country must depend in the future for the promotion of her trade and the dignified and active representation of her policies.

The address of Dr. Itriago Chacín has been reproduced in full,—in so far as a translation can ever render the full effect of an original,—and it is, quite apart from its intrinsic merit, a document of much interest, for it shows how profitable and enlightening must be the studies in the field of political science carried on by students sent out in groups under conditions described in this report. Studies in the field of Political Science are not, to be sure, the primary object of students going abroad to survey the economic resources, the commercial usages, and the facilities for transportation and distribution of commodities in the countries which they visit. None the less, sustained contact with trained masters of political studies may at times be possible, and should in all cases be availed of in order to gain the valuable experience of hearing points of view on

matters of international policy developed in other countries and under conditions quite different from those obtaining at home.

Space forbids that more than thirteen of the reports prepared by the students be published. Those selected are believed to have the more general interest and to contain material not easily found in other sources. All of them were based upon personal investigation and consultation with Venezuelan authorities. Obviously, there are evidences of hasty preparation and the papers leave something to be desired in the arrangement and presentation of material, the collation of figures, and the critical discussion of printed sources. In places, too, there are statements which might require modification if a more mature person were to assume responsibility for the given report. They are submitted solely as the work of students in process of formation.

It is of interest to call attention to the fact that this visit to Venezuela was the source of much favorable comment in the press of the two countries, several papers in the United States dwelling upon its significance as the first formal effort to place our own students directly in contact with the life of the other Republics. Specimens are included in the Appendix.

Dr. Sherwell has referred to the bestowal of a decoration on him by the Venezuelan Government, and has minimized its personal significance. This reservation of his I transmit with amendments, for I can not but share the views of the Venezuelan authorities in granting him first, the Medal of Public Instruction and later the Order of the Liberator, that he had rendered Venezuela a lasting service, no less than his own country, by his dignified, gracious, and enthusiastic interest in the promotion of the intellectual and commercial relations of the two republics.

The immense practical value of laboratory work in the physical sciences is among the cardinal tenets of sound pedagogy. In like manner, the application of economic principles and theories of political science to actual conditions as they exist in the world today is the ideal feature of a liberal education for foreign service such as this department undertakes to provide. Perhaps in no other educational program should more pains be taken to cultivate the faculty of accurate observation, exact expression and bold initiative, based on logical reasoning aided by fertile imagination.

Proficiency in the technique of foreign trade or consular practice or diplomatic procedure is but a fractional part of the full equipment of American youths aspiring to serve their country's interests abroad either in public or private capacity. Technical knowledge will be futile unless humanized by a broad sympathy with the men and institutions of other climes. Therefore, the policy of sending such groups of students abroad deserves encouragement, and I earnestly recommend that the Regent of the School of Foreign Service be authorized, on the basis of the substantial success of this first experimental visit, to send such students as it is possible to select and send under competent direction, to other countries in the summer of the present year and hereafter.

Respectfully,

EDMUND A. WALSH, S. J.,

Regent.

To

JOHN B. CREEDEN, S. J., PH. D.,
President of Georgetown University,
Washington, D. C.

PART I

REPORT OF DR. GUILLERMO A. SHERWELL

Professor of Spanish

TO THE REGENT OF THE SCHOOL OF FOREIGN SERVICE

Sir:

In order to afford the students of the School of Foreign Service an opportunity to practise Spanish and to study at first hand economic conditions in one of the South American countries, it was decided in May, 1920, to send a group of not more than twenty to Venezuela under the direction of the Professor of Spanish. The Knights of Columbus agreed to pay for the expenses of twelve of the students, who were holders of scholarships awarded by that organization to ex-service men, and six other candidates offered to pay their own expenses. Consequently, a group of eighteen was selected in accordance with the following conditions laid down by the University authorities: (1) That the student's mark in Spanish had not been less than 70% and (2) That he had not failed in any other subject of the Foreign Service curriculum. The students chosen were:

PAUL BABBITT, Arizona
J. HOMER BUTLER, Massachusetts
FRANK CHIRIELEISON, District of Columbia
JAMES F. COSTELLO, Wisconsin
WALTER J. DONNELLY, Connecticut
EDWARD FANNING, New York
WILLARD C. FRAZEE, Ohio
MATTHEW HEILER, Massachusetts
NELSON HOPKINS, New Jersey
WILLIAM JOHNSON, District of Columbia
GEORGE E. MCKENNA, Massachusetts
THOMAS MORRIS, New York
EDWARD L. MURPHY, Pennsylvania
JAMES J. O'NEIL, Massachusetts
JOSEPH P. QUINLAN, Massachusetts
DAVID SCHLESINGER, Iowa
PHILIP D. SULLIVAN, Massachusetts
GEORGE A. TOWNSEND, Maryland

It was provided that the students should have, each day, an academic hour of formal Spanish instruction while in South America, that they should be distributed among private families where they might have frequent opportunity to practise

Spanish and that they should devote a second academic hour each day to recitation and discussion of the economic and financial conditions of Venezuela. Individual research work on economic topics was likewise required. The results of each student's investigations were to be discussed in class so that each student might profit by his fellow-students' labors, each man having one topic on which to report. This program was carried out as it had been planned. The topics, distributed by lot during the sea voyage, were as follows:

- Economic history of Venezuela.
- Agricultural and forestal resources of Venezuela.
- Cattle industry in Venezuela.
- Coffee industry in Venezuela.
- Sugar industry in Venezuela.
- Mineral oil industry in Venezuela.
- Mineral resources of Venezuela.
- Ports of Venezuela.
- Commercial travelers in Venezuela.
- Venezuela as a field for the investment of foreign capital. Present foreign investments.
- Banking and currency in Venezuela. History and present status.
- Venezuelan foreign trade. American goods in Venezuela.
- Bills of exchange, checks, and trade acceptances in Venezuela.
- Steamer and cable communications with Venezuela.
- Taxation and budget in Venezuela.
- Venezuelan public debt.
- Population, immigration, and public education in Venezuela.

On June 16, 1920, the group sailed from New York on the Red "D" Line Steamship *Caracas*. Several representatives of the press came on board together with friends and alumni of Georgetown to bid godspeed to the first missionaries of friendship sent by an American university to South America.

On June 26th the group arrived at La Guaira, the port nearest the capital of the country, and was received by personal representatives of the Secretaries of Foreign Relations, of the Treasury and of Public Instruction, as well as by a very distinguished group of students of the different schools of Caracas, headed by their President, Mr. Atilano Carnevali. After lunching at a beach called Macuto, the group was taken in automobiles to Caracas and escorted to their lodgings where two students were placed in each house.

On Monday, June 28th, the message, in Latin, from the

University of Georgetown, engraved on parchment and addressed to the Universidad Central de Caracas, was delivered to the Venezuelan authorities in the beautiful auditorium of that University.

The President of the Council, a body which exercises supervision of the University studies and is the supreme examining tribunal for the conferring of diplomas, announced in brief words the object of the meeting and invited us in the following words, to present the message of the University of Georgetown:

“Gentlemen of the National Council of Instruction and Members of the National Commissions; President and Members of the Schools of Physical, Medical, Mathematical and Political Sciences of the City of Caracas; Representatives of the Academies and other Institutions of University Extension; Students, Ladies and Gentlemen:

“We have assembled to receive the visit of illustrious guests who bring a noble and generous message from the University of Georgetown; they come at a time propitious for American patriotism and they are going to spend here the month in which we celebrate the date of the independence of our countries. It will be a pleasure for the Venezuelans to do as much as lies in their power to the end that such distinguished guests carry back to their country the most agreeable impressions. You are about to hear the message from the University of Georgetown. Prof. Sherwell will now address you.”

The message follows.

*The
President and Faculties of the
University of Georgetown
to
The President and Faculties of
the
Central University of Caracas,
Greetings:*

“*We avail ourselves of a mission made with an educational object by one of our professors and a group of our students to send to you and to the students of your University fraternal expressions of affection and comradeship from the University of Georgetown.*

“*The University of Georgetown has developed at the same time that this nation has advanced into its proper life. She has witnessed its struggles for liberty, its efforts to acquire*

constitutional life, the bloody conflict which was necessary to preserve the union and the last tremendous war into which it entered in order to preserve inviolate the sacred heritage of liberty which our ancestors have handed down to us.

"To each one of these conflicts the University of Georgetown has given liberally of its blood, and she preserves sacred the names of those who carried the banner of the Blue and Gray whithersoever the banner of the Stars and Stripes led them.

"Identified with the country of Washington since the days of Washington, this University believes itself worthy to regard itself as a sister of the University of the country of Bolivar, and in extending its hand to clasp the hand of its sister, the University of Georgetown presents to the University of Caracas her sincere wishes that the friendship of the two institutions may endure and be as profound as was the friendship of the two liberators for the whole American continent, and as sincere as is the friendship which exists between the United States of North America and the United States of Venezuela. Assuredly there is no stronger bond among men than the pure love of liberty and truth. In this common devotion, racial differences are forgotten and party strife ceases. When Truth and Liberty speak, all else is silent.

Farewell.

JOHN B. CREEDEN, S. J., PH. D.,
Rector of the University.

WILLIAM COLEMAN NEVILS, S. J., PH. D.,
Dean, Faculty of Arts and Sciences.

THOMAS I. GASSON, S. J., PH. D.,
Dean, Graduate School.

BRUCE L. TAYLOR, D. D. S.,
Dean, Faculty of Dentistry.

GEORGE MARTIN KOBER, M. D., LL. D.,
Dean, Faculty of Medicine.

GEORGE E. HAMILTON, LL. D.,
Dean, Faculty of Law.

EDMUND A. WALSH, S. J., PH. D.,
Regent, School of Foreign Service.



Given at Washington, on the Ides of June, in the year of our Salvation One Thousand Nine Hundred and Twenty."



Præsos. Professores. Alumni.
Universitas Georgopolitana.
Præsidi. Professariorum. Alumni.
Universitas Centralis. Alumnas.

S. R. D.

Hinc felicissimum morti occasionum quo nuncm ex alumnis Scholæ Virorum Etatrum, atque Doctori Divinae Reparatione in hac Universitate, hunc uniuersitatem Venezolanam, eos, eis humanissimis, abhincq[ue] vestras fore videre potemus. Et recte quidem. Etiamq[ue] hoc anno Universitas Georgopolitana pari passu cum republique nostra cursus tenet. Te omniibus belis et contentionebus quoniam pulchra fuit, namque nostri sanguinem suum largissime ac immorib[us]cissime effundens et libera instituta nostra leto saeculo servare; quapropter docentes Universitas mensuræ pulchra servant et tenent uenient illorum filium qui, nimis libertate processus deditis, ex collegijs postularunt quo exultum Scholæ Fidelitatem. Horricie Septentrionalis stellis et virgine orationis eos recesserint.

Civitanus regis hoc Universitas et haec respublica et Washingtoniensis conslitutio aliquo firmata inter se recipiuntur maxime ratione ex cordis coniuncti, ut eis per nosdigne Universitas Georgopolitana arbitratur se esse sororem vestre academiae in Republica sua nobis consitutissimam quam fundent et stabiliter celeberrimam iste et preclarissimus Simon Bolivar, liberatores eis accipiunt et profugunt.

Dum ergo manu universissime comprehendimus manus sororis nostræ, fio sit resonansse precari ut inter haec universitates floreat amicitia semperma utique tales ita exigunt in alterum annis illa verissimum et uidentissimum quo Bolivar, Amerique Australis liberator, et Washingtoniensis, patriæ pater, totam affectuerunt confidendum. Americanum quidque inter cestates fortitudinis Americani Septentrionalis et Australis jam viget et, quoniam ualuit speciem, non violanda vegetat.

Alii sum est quo omnis homo inter se conciliatur quam rovo libertatis amore et veritatis studio. In his enim silent nationum diversitates; silent partium clamores; cognitio solus annis idemque veritatis libertatisque amor.

Valete.

Jacques P. Erasmus, S.J., Ph.D.
Rector Universitatis

Scholæ Colamæ Rebus A. P.
Urimus Facultatis Artium et Scientiarum

George, Thaddeus, & Tobius M. M. L. D.
Decanus Facultatis Medicinae

François J. Guzman, S.J., Ph.D.
Decanus Scholæ Graduatariorum

George, Elizur, & John
Decanus Scholæ Juris

James F. Doyle, D.D.S.
Decanus Scholæ Artis Dentariae

Edward G. Hatch, S.J., Ph.D.
Regius Scholæ Decanum Veterinarii

Datum Washingtoni Id. Junii Anno Reparatus Salutis MCMLXX

SALUTATION—GEORGETOWN TO UNIVERSITY OF CARACAS



After delivering in Spanish the formal message from the University of Georgetown to the Universidad Central de Caracas your representative added the following words:

"The students of the School of Foreign Service of Georgetown University are very sensible of the honor conferred upon them by this reception in the Assembly Hall of the Central University of Caracas, and especially appreciative of the courtesy shown by this distinguished assembly of selected social and educational elements of this capital.

"The students of the School of Foreign Service have been sent to this wonderful country of yours to practise the beautiful Spanish language, to study the economic and financial life of Venezuela, and to live among you your own life and observe your own customs. They come to you with minds set to their work and with hearts open to all impressions which may come from the outside world. Most of them have passed through the harrowing experiences of the World War. They crossed the seas to the European battle fields to defend the cause of liberty for which America stands, and now, upon returning to the activities of civil life, they are preparing themselves for a better service to their country by improving their minds, with the ultimate purpose of promoting the foreign trade of the United States. They have much to learn, and you have much to teach them. They are in your hands, and I am sure that the University of Georgetown could never hope to provide better instructors for students of Latin American affairs.

"We have journied hither with only the general knowledge of this country acquired in our schools, but since our arrival at La Guaira, we have passed through experiences which have left our spirits fatigued, if this expression may be permitted, with the constant spectacle of grandeur and majesty never dreamed of before. As we climbed your lofty mountains, which form a great barrier between the heart of your country and the outside world, we were continually passing from one deep impression to another, and at the same time were arriving at a clearer understanding of the character of your people. We saw the humble laborers of the field stand erect as we passed and show that noble type of manhood which has been observable in all the men we have met in this country. And when we gazed upon the mountains and the huge abysses which abound in this part of the American continent, we ceased to wonder at the marvelous deeds of your famous warriors in your struggle for independence. Backed by men accustomed

to fight and conquer a land of mountains and valleys like your mountains and valleys, a chieftain might well dare to range over a continent fighting for the freedom of his own country and offering freedom to neighboring peoples. Bolívar and the Venezuelans seem in some respects identical with this territory. Their characters suggest mountains.

"We shall learn more and more of you during our stay, and I hope you will know us well enough to consider us your sincere and permanent friends.

"To the young men who study in this University I must say a few words, yielding to the old tendency of men accustomed to speak from the chair or the platform of the classroom. It would seem that every teacher should have a message to deliver to the youth of his country, or to those of any other country of the world. My message to you is this: We must use every endeavor in scientific research to extract from nature all that nature has for the benefit of mankind, in order to destroy such evil forces as still molest human beings, to improve our standards of life, to advance upwards to higher levels in thinking and in acting. To accomplish this, we need clear, practical and investigating minds. But beware of the fallacies entertained by those who contend that the mind of man can encompass and explain all truths, and that whatever can not be fully explained by the mind or demonstrated according to the limited means that science may offer is not truth. There are some things above human reason, and to understand them and to explain them we must invoke more than our minds. We must bring to them the best of our hearts. Those great truths that are beyond actual scientific demonstration are not lesser truths, but greater truths. It is not permissible to live indifferent to good and bad as some so-called philosophers pretend, but it is permissible, and it is our solemn duty in many instances, to look beyond science, because there are summits which science does not reach, and to attain which we must fly with the wings of our hearts. The supreme spiritual conceptions of God, of Home, of Country do not fall within the range of the physical sciences, but are, nevertheless, the great, fundamental truths upon which everything noble and everything lofty must rest.

"We thank you, ladies and gentlemen, for opening your doors to us in such a frank and cordial manner, and we hope to prove during our stay in this country that we are not unworthy of such friendship."

The Minister of Public Instruction, Dr. González Rincones, then read the reply of the University of Caracas and later forwarded the engrossed manuscript to Washington:

*The President of the Council of Instruction
and the
Faculties of the University of Caracas
to the
President and Faculties
of the
University of Georgetown,
Washington, D. C.,*

Greetings:

"We appreciate profoundly your message of friendship, and we see with pleasure under the roof of the University of Caracas your distinguished professor and this chosen group of your students.

"The fraternal expressions of affection and comradeship which the President and Faculties of the University of Georgetown send us have entered into the hearts of our professors and students, and have found there a most cordial welcome. Your travelers will be able to tell you how great has been the enthusiasm which your visit has awakened, a visit which does not come from a house unknown to us, since besides holding in our memory the scientific renown which the University of Georgetown deservedly enjoys, and the marks of glory of which she boasts, we remember with that fondness which we owe to all that proceeds from the Father of our Country, the special recommendation which he made that Fernando Bolívar be educated in the celebrated and ancient College of Georgetown, which we see to-day converted into a great University.

"Venezuelan students have distinguished themselves always by love of liberty, and have sacrificed themselves with Ribas in the holy struggle for our independence. With equal love they venerate Science and Liberty. It is not strange, then, that they are full of joy in receiving envoys of a University which, on the banks of the Potomac and near the tomb of Washington, holds always aloft the ideals which the liberators of the North and of the South loved with passionate devotion.

"The professors and students of the country of Bolívar clasp cordially the hand which the University of Georgetown extends to them, and will deem it a signal honor to cultivate the friendship which tradition has originated and which the visit of your professor and your students will contribute powerfully to cement."

Given in the City of Caracas, the fourth day before the Kalends of July in the year of our Salvation, One Thousand, Nine Hundred and Twenty.

Farewell.

President of the Council of National Instruction,
R. GONZÁLEZ RINCONES.

The President of the Commission of Theology,
NICOLÁS E. NAVARRO.

The President of the Commission of Political Sciences,
CARLOS F. GRISANTI.

The President of the Commission of Medicine,
LUIS RAZETTI.

*The President of the Commission of Physics, Mathematics,
and Natural Sciences,*
GERMÁN JIMÉNEZ.

The President of the Commission of Philosophy and Letters,
R. VILLAVICENCIO.

The President of the Commission of Political Sciences,
JOSÉ SANTIAGO RODRIGUEZ.

The President of the Faculty of Medicine,
LUIS FELIPE BLANCO.

*The President of the Faculty of Mathematics, Physics and
Natural Sciences,*
LUIS UGUETO.

Secretary of the Council of Instruction,
EDUARDO CALCAÑO Sz.



Beginning Tuesday, June 29th, regular lectures in Spanish and economics were held in a splendid room in the National Library of Venezuela placed at the disposal of our group. The Director of the Library, Dr. Manuel Segundo Sánchez, very graciously and with considerable pains furnished the students with all books, documents, and information they required, and during our entire stay in Caracas did all in his power to make us comfortable and render our work successful. Dr. Sánchez deserves the gratitude of the University.

The Minister of Public Instruction, Dr. Rafael González Rincones, kindly gave the students letters of introduction to the persons in charge of the different government offices who were in a position to furnish them the most accurate information



Praes. Consilii. Salicium. Scholiarum

Professoris. Alumnorum et Scientiarum et Veterariorum. Facultatibus artis
Universitatis. Consiliis. Professoribus. Alumnis. Universitatis Georgiopolitanae
Scholiarum plurimorum docent

Pro gratissimum eodis multo ampliaciones eodis gratiam agimus. expectans etiam ha-
bimus. ut sub lugubribus. Satis. Maxime in Caracas. Gymnasii latissimi
extremum solitissimum eorum magnitudinem. oblationem invicem scholiarum mo-
num. quae curas huius massae acuimus.

Postea nostra schola. sedetum ac featuram propria. quae. Propter id. Cimelio
Gymnasii Principis. Georgiopolitanae ad nos responsum. primum erat ut in omnium
notis situs magistrorum scholiarum suorum habitationem exciperetur.

Fides erat credens vestri. amoris. admiracionis ac studii quod in nobis ergo es-
cundabat hunc eodis salutis; quae profecta non quidam ac aliquo vestris honorum
magni eolis egredi uideat: etiamque praeclarissimum vestrum
nomen ac celestissima gloria inservia ita fuit ueridam. Gymnasium Georgiopo-
litanae. nos quicquid cum in fidelis vestris in quo pat est. reverendis pietatis resto-
racionis genitrix ad. Poloniae ecclesias. Ecclesiis justorum. Etiam ipsius omni-
potentis commandationem. quae ipsa fecit. ut. Ferdinandus. Poloniis in celestissimo
ac parantiquo institutu. Collegio. quod primitum in Septentrionis Gymnasium
parvulum. habuisse nunc fulget.

Quinque annis antea scholasticis de Nobilitatis nuncrimum prosperat. ut in sacre
bella pro perfido Nobilitate patria. quae remunere uenire. Georgiopolitano doctor. usque
ad eum mortales sacrificios inter alios complures in episcopis ac feitorum iure. Poloniis
prospectus hunc habuerat: amorem consueta similitudine officiorum proponere conuenerat.

Sed iste optime virum. quod seipso quodam excellit. dum excepit nobilitatis
missas ab illis. Georgiopolitano quod ad perficitas aquas. Polonie. prope septentrionem
Angliae. Washington. longaque vestiti in scutum posita. in omnium consueta consuetudine
summi pietatis probityque ac exempla. quae. Iurie. Georgiopolitanae et. Maximi-
nati. Nobilitatis insperatae nunc. semper sunt presenti.

Uochis vero et discipulis. qui eadem qua. Poloniis patria gaudent. etiamque quae
Georgiopolitanae. Gymnasium in eorum annis pergit. gratissime compungunt ani-
mum. et velut parvumque leuium suum habebunt eam uinculum eolis. quae eis vestris
dote caput. subiectis vestre magistris. restauraque alumnorum exsipa uiget. ut in die
magis magisque primis.

Talium in Cimelio uite quale habentes. Uochis eam. Reparatus. Salutis MCXX.

Vobis

Scholiarum Consilio. Salicatu. Rupellos

Ricordare. Discere.

Exhortatione. Innotescere. Communi-

ca. Nobilitate. Rupellos

F. D. G. A. S.

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CC. V. L. A. C. C. C. C.

Marii. Tomatis. Cimelio. Nobilitate.

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S. Fortis. Consilio. Nobilitate. Rupellos

Edemus de Salicatu. 2.

Nobilitatum. Innotescere. Communi-

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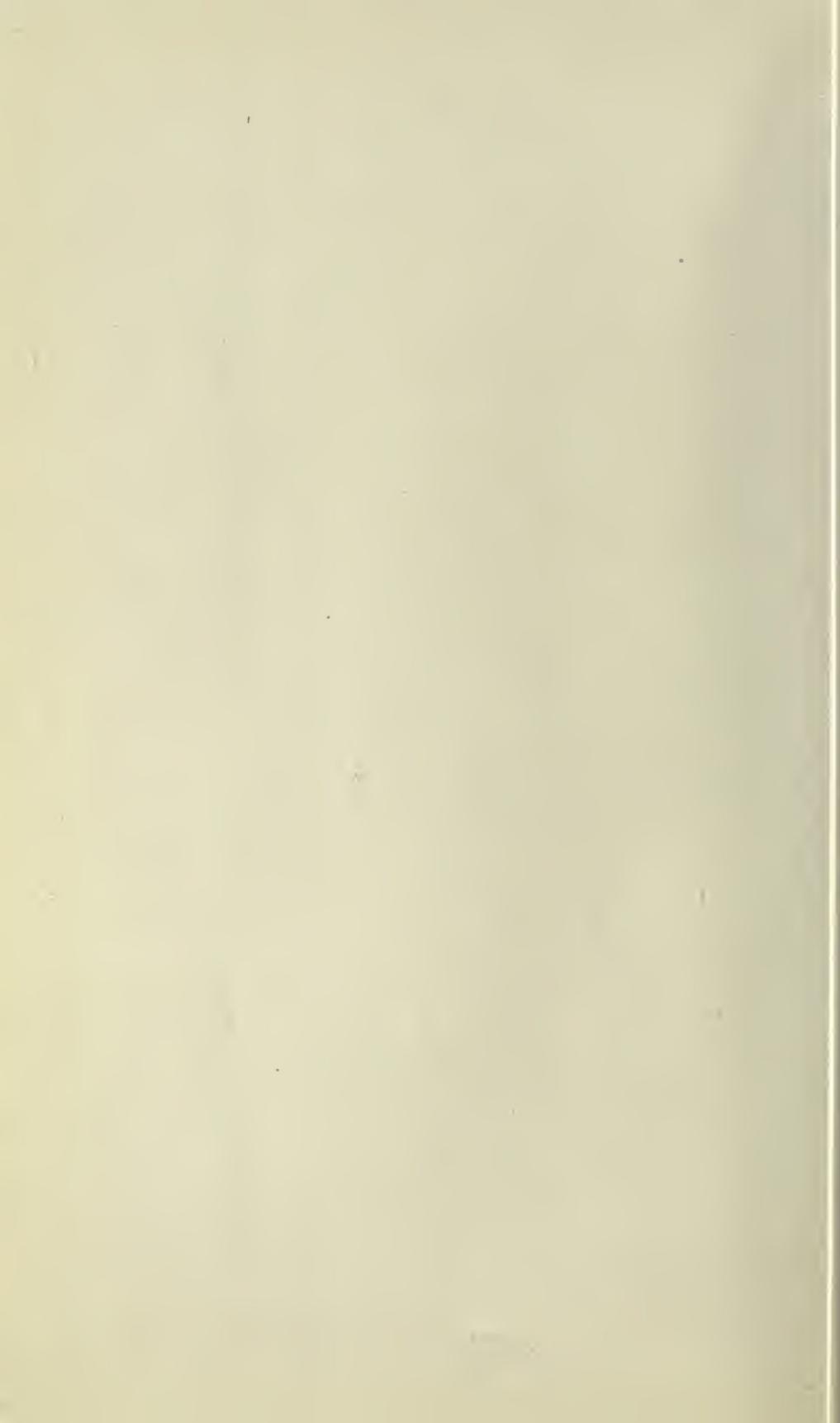
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on the assigned topics. Furthermore, all offices were thrown open to the Georgetown students, and all the public officials placed themselves at their disposal whenever they went to them in search of information or help.

The work of the students was supplemented by several entertainments, such as a luncheon given by the students of the Venezuela in the Normal School; a reception tendered by the Seminary of Caracas, with the attendance of the Archbishop and the Nuncio; a theatrical function in the National Theatre; a picnic in a grove called Los Chorros; a visit to an industrial exhibition where they learned of the remarkable progress made by that country in recent years; and finally a concert and theatrical performance by the College of San Francisco de Sales, at which the "Star Spangled Banner" was sung by the students and the United States flag and the Georgetown colors were displayed together with the Venezuelan flag.

On one occasion the Federation of Students held a reception at the School of Political Sciences in honor of the Georgetown students. Addresses were delivered by the president of the Federation and by your representative, who took occasion to describe some of the characteristics of student life in the United States, which could not but be of interest to students in other countries, terminating his remarks with the expression of a sincere wish for closer relations between the students of the University of Caracas and those of Georgetown.

The College of San Francisco de Sales from the first day opened its doors to the students of Georgetown, who found there a real home, and they certainly used it to their best advantage, playing tennis, baseball, and mingling freely with the students and the persons in charge of that institution. The Reverend Jerónimo Gordini, Director of the College, Dom Pardo and other professors of the establishment deserve the gratitude of our University.

The authorities of the Military Academy of Venezuela, realizing that most of the Georgetown students who were visiting that country had seen service in the United States Army, tendered them a reception on the Fourth of July, at which many distinguished ladies and gentlemen of Caracas were present. The cadets gave an exhibition drill, after which tea was served in the large hall of the Academy, which had been beautifully

decorated with flowers in combinations representing the colors of the United States and Venezuela. The Director of the Academy addressed the Georgetown men, welcoming them cordially; and your representative answered in the following terms:

"Mr. Director, Officers and Students of The Military Academy, Ladies and Gentlemen:

"The idea of country finds expression in certain symbols which, powerfully impressed in the hearts of men, lead them to great deeds, even to the sacrifice of their lives, for principles radicated in their hearts and minds from childhood. Those symbols are the flag, the national anthem and the army.

"The army is a country itself, converted into a weapon of protection and defense, and is constituted not only of men who form the ranks of the present, but also of the glorious traditions of the men who have formed the ranks of days gone by.

"Armies are heirs to a rich legacy of honor, and in increasing that legacy and leaving it to their successors, they bequeath the noblest ideals of unsurpassed patriotism.

"Were we to institute a comparative study of the achievements of the armies of the various countries of the world, we should find that no one of them surpasses the Venezuelan army in the glory of its traditions. You are the descendants and the followers of those men who, under the guidance of Bolívar's mighty genius, traversed this continent holding aloft the flag of liberty, creating countries wherever they went, and writing with their own blood the supreme epic of South American independence. You students of this Academy are the hope of your country. She trusts you as a fond mother trusts in the love and protection of her vigorous growing sons. You have an inheritance of which you may well be proud. This inheritance imposes upon you a great responsibility. You are to increase it, never to imperil it. You will never, I am confident, tarnish the purity of Venezuela's glory by not exemplifying the highest ideals of life or by not striving in every way for the promotion of Venezuela's welfare.

"These young Americans who are here among you have been soldiers, and with the fellowship of comrades they are here in intimate communication with you, feeling a deep sense of respect for the sons of a sister republic which their fathers have long appreciated and loved. They extend the hand of brotherhood and ask you to believe that their purposes are also yours—the best service to their country and

the preserving of the sacred inheritance of honor handed down to them by their forefathers.

"Wherever patriotism is alive, wherever there exist the same inspiration and the same lofty purposes, comradeship is not a mere formula, but a union of souls. We feel that we have seen the very soul of Venezuela, and when we leave your hospitable Academy we shall carry away with us a deep respect and admiration for your country, for your institutions and for your army."

On the Fourth of July wreaths were deposited on the tomb of Bolívar and statue of Washington. Addresses were delivered on the latter occasion by the president of the Students' Federation, Mr. Atilano Carnevali, and at the former ceremony by your representative.

A most pleasant interruption in our work was a four-day automobile trip which lasted from Sunday, July 11th, to Wednesday, July 14th, and which was provided by the Minister of Public Instruction.

On Sunday morning all arose at about three o'clock, and after taking coffee, we boarded automobiles in the Plaza Bolívar, from which point a start was made at five o'clock. I shall not undertake to describe the wonderful Venezuelan mountains and valleys. They must be seen to have their grandeur appreciated. The automobile roads passing through the valleys and over the mountains are as good as can be found anywhere in this country, and it is a matter of great surprise that so few tourists visit Venezuela, where the scenery has no superior in beauty, where the climate is unsurpassed in mildness and healthfulness, the safety of travelers is as secure as in the best streets of a well-policed city, and where the comforts of traveling—at least by automobile—are as great as could be found in the United States, not to mention the extreme courtesy of the Venezuelans, a quality which is not shallow, but comes from the heart and makes all foreigners feel very much at home.

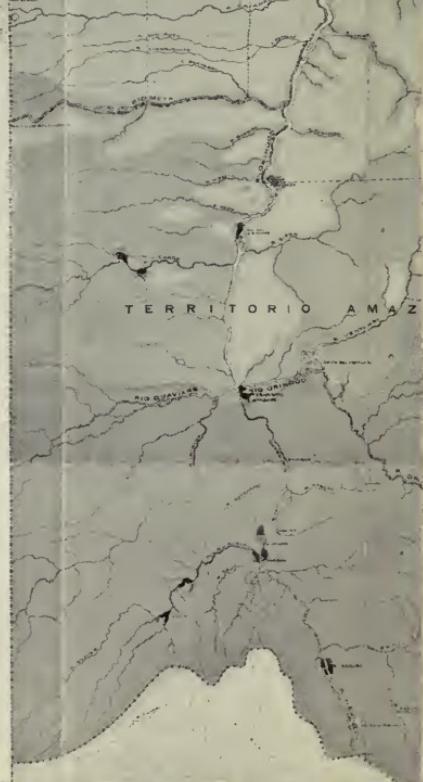
At 6:15 A. M. the group reached the little town of Los Teques enveloped in a morning mist, the stillness broken by the ringing of the bells of a little chapel, calling the faithful to worship. We left the automobiles and entered the church, and had one of the most charming experiences of our lives by attending the service in that quiet country shrine.

About 8:30 A. M. we arrived at a place called Guayas, where we had an excellent breakfast. From there we continued our trip through the valley of Aragua, which lies to the west of the valley of Caracas. The entire valley of Aragua is rich with memories of Bolívar and the struggle for independence. There stands his old farm, San Mateo, made sacred by the memories of Captain Ricaurte, who blew himself and an hostile army to pieces rather than allow the ammunition of the patriots to fall into the hands of their foes. There lies the town of La Victoria, where the brave general Ribas defeated the royalists with the aid of the students of the city of Caracas. Every plain, hill, brook and forest seems to speak of Venezuela's epic fight for independence.

At 12:30 we stopped at a place called San Juan de Los Morros, where we enjoyed a bath in the sulphur springs, had luncheon as the guests of the Minister of Public Instruction, and had the pleasure of meeting the president-elect, the provisional president, and several other high officials of the Republic. From San Juan de Los Morros we continued to Maracay, a city of about 15,000 inhabitants, where the president-elect, who is the Commander-in-Chief of the Army, generally resides.

Leaving Maracay early Monday morning and crossing the mountain range which divides the valley of Aragua from the seashore, we journied to the port of Ocumare de la Costa. The road is a constant marvel. Carved in the live rock of the mountain, it climbs from the lowland surrounding Lake Valencia up to the clouds, and actually pierces the clouds until a spot called Rancho Grande is attained. From there it begins to descend towards the Caribbean Sea. On the south side of the mountains the beautiful lake of Valencia can be seen, visible at times in its complete extension, surrounded by forests, sugar-cane plantations and cattle farms. The hills to the south are covered with coffee plantations. There several small rivers finish their courses. Stretching down to the seashore may be seen numerous cocoa and rubber plantations.

Ocumare de la Costa is a very fine natural port. There Miranda and Bolívar landed with their troops to fight for independence, and at it, too, ten young Americans landed to join the Independent Army of Venezuela. All these youths were made prisoners by the Spaniards and executed. We saw the





two beautiful monuments erected to their memory, one in Maracay and another in Puerto Cabello. Colonel Romero, Commander of the Port, entertained us at luncheon.

In the afternoon we drove back by the same road and had still time to visit Las Delicias, where there is a good zoological museum containing, among other animals, beautiful specimens of herons, which produce the famous aigrettes. It is to be noted that there is in Venezuela a very stringent law against the killing of herons or even against the plucking of their feathers. The aigrettes are to be obtained only in the places where the herons assemble and drop their feathers naturally, at certain periods of the year. In view of these facts it seems reasonable to suggest that our law prohibiting the importation of aigrettes should make an exception of feathers coming from Venezuela.

After spending a second night in Maracay, we left on Tuesday for a trip around Lake Valencia. We visited a cream and cheese factory where the most modern machinery is used in multiplying the products of the dairy industry. On our way we visited the town of Güigüe, where we were the object of the most courteous attention from General Romero Galván, who accompanied us to the great coffee plantation of El Trompillo, owned by the Pimentel family, two members of which, Don Antonio and Don Manuel, made our brief stay as pleasant as it was instructive.

From El Trompillo we proceeded to inspect a sugar plantation called Tacarigua, where the overseer in charge of the machinery explained to the students all the processes in the preparation of cane sugar. From Tacarigua we continued to Valencia, where we arrived in the afternoon, having had luncheon in a small town called Bucarito. Valencia has been called the most beautiful of tropical cities and, indeed, it deserves the distinction. From Valencia we continued around the lake until we arrived again in Maracay, after having once more admired the beauty and splendid condition of the Venezuelan automobile roads.

Our last night we spent in Maracay, and on Wednesday started back to Caracas. The return trip was made more slowly to enable us to stop at several historical places and hear the interesting explanations very kindly given by Dr. Manuel Segundo Sánchez, Director of the National Library, who was our kind and learned guide and friend throughout the trip. At San Mateo, we stopped and took several pictures of the house

where Captain Ricaurte made the supreme sacrifice of his life for the independence of Venezuela. In La Victoria we visited several places of historic interest and had a picture taken of the statue of the heroic general Ribas. In Guayas we remained for over an hour resting. Late in the afternoon we arrived in Caracas delighted with our trip and warmly grateful both to the Minister of Public Instruction, to whose kindness we owed the valuable experience, and to Dr. Manuel Segundo Sánchez, to whom we owed most of the profit and pleasure derived from the expedition.

Recitations and research work continued as before until Thursday, July 29th, when we had the last formal class. It would be of interest to recount some of the minor activities of the members of the class if time and space would permit. For instance, several students were charged to keep a detailed and accurate thermometric and barometric record in order to demonstrate the fact that Caracas has a clearer and less oppressive climate in summer than any of the great cities of the north Atlantic seaboard of the United States. On Friday, the 30th, a written examination in Spanish was held from 9 to 11, and at 11 o'clock the students proceeded to the School of Social Sciences where our course was to terminate with a lecture delivered by Dr. Pedro Itriago Chacín, head of the diplomatic service of the government, professor of international law, and a well known internationalist of Venezuela. In the appendix of this report appears a translation of Dr. Itriago's address. At the close of the inspiring address of Dr. Itriago Chacín, a student in his course, Don Pedro La-Riva Vale, briefly expressed the sentiment of fraternal feelings of Venezuelan students for the Georgetown students. Some sentences from his remarks are not unworthy of quotation.

"Our satisfaction is greater when we turn our eyes to the pages of our diplomatic history, for we can not forget, if we are grateful, that North America, ever ready to foster noble ideas of Freedom, has always encouraged those who aspire to Liberty, with the same ardor which she inspired in the heart of her legionaries in the crusade for her freedom.

"At the time of our emancipation, following her own indications that Congress would duly receive the representatives of those who fought constantly to give us a free country, the United States on June 26, 1810, sent to the

Supreme Council of Caracas Mr. Lowry, in the capacity of financial agent, who had the duties proper to a consular position although he was not received in this capacity because it was not allowed by the form of government existing at that time. In 1811, the two Houses manifested their sympathy and interest for the newly-born sovereignties; it was Democracy sanctioning the conquests of Liberty. Later, Scott was made Agent of Supplies, and Lowry, Consul in fact; and Congress voted credits to establish legations, thus sanctioning our introduction into the community of free countries. In 1824, commercial ties were established which, strengthened day by day, are the vital arteries giving force to the economic organism of our nationalities.

"Monroe, when he defined in his celebrated doctrine our rights to independence and formulated the prohibition to Europeans against colonizing in the new world, sanctioned in the most emphatic manner the highest achievement of American rights. "America for Americans,"—without any spurious interpretation such as some have given to it,—is the condensation of the efforts of the champions of the freedom of America, of this, our America, which has known how to defend its right amid the vibrations of its tempestuous seas! Bolívar, breaking the chains of slavery with an invincible sword, and Monroe, establishing a new concept of right, understand each other. Subsequently the Monroe doctrine was our shield in many transcendental events of our international life. It was the formidable weapon opposing the predatory ambition of England in 1895, when Grover Cleveland valiantly forced her to submit to arbitration her pretensions to the Venezuelan territory near the border of British Guiana. It was also our support in the incident brought about by Count Magliano, when he sought to obtain pressure from his own government, as well as from Germany, France and Belgium, on Venezuela. As for the coalition between Italy, England and Germany, those sorrowful days are not far distant, when our territory saw itself so seriously threatened, until finally the opposing parties agreed to submit their contention to the Supreme Tribunal of the Hague."

In answer to the stirring words of Dr. Itriago Chacín and Mr. La-Riva Vale, your representative expressed genuine hope in the recovery and substantial progress of the principles of international law based, more than ever, squarely upon a thoroughly enlightened and responsive public opinion. Democracy would, in the course of time, and perhaps in a surprisingly reasonable

brief time, come to contain a genuine and significant meaning and guarantee of world peace. Perhaps at present we are passing through reactions natural and inevitable after the stupendous conflict from which we have just emerged, but those who are able to measure the progress of culture on a larger scale than the months and years, are not without great hope and substantial confidence. He closed his remarks with the expression of sincere thanks for the generous cooperation and sincere cordiality of the authorities and students alike of the professional and academic world of Caracas.

On August 7th a reception was given at the School of Political Sciences at which Dr. José Santiago Rodríguez, Director of the School, who possesses a wide acquaintance with commercial and economic conditions in the United States by reason of a careful survey of them made in the interest of his Government, eloquently expressed the hope of closer relations between the two countries, not merely with reference to commerce and investment, but between the youth of both lands and on as profoundly spiritual plan as possible.

Enthusiastic assurances of the sentiments of cordial solidarity towards North America animating the sentiments of Venezuela was voiced by a student of the School of Political Science, Don Aníbal Villasmil Gabaldón. Again it was the pleasant duty of your representative to express the appreciation of the students for all the courtesies and sincere manifestations of friendship showered upon them, and to renew the expression of confidence that the work of the University of Caracas would go far in the firm and enduring upbuilding of an enlightened public opinion, which would be regarded by the students of North America as of the greatest service to mankind.

On Saturday, July 31st, two of our students left Caracas for the United States. On Tuesday, August 3rd, six more students left, and on Monday, August 9th, the rest of the students and your representative embarked for New York. The steamer stopped for thirty-six hours at Puerto Cabello, for some hours at Curazao, and for twenty-four hours at San Juan de Puerto Rico. On Friday, August 20th, we landed in New York, and thus came to an end the first university field work in economics directed towards the expansion of American foreign trade.

During our stay in Caracas, the physical welfare of the stu-

dents was not neglected and consequently there were no serious cases of illness. The change of food occasioned some minor ailments but no alarming results occurred. All the members of the party were comfortably lodged, and in all respects well taken care of by orders of the Minister of Public Instruction. They had occasion also to engage in sports, notably in baseball. Three public games were played, the first with the students of the School of San Francisco de Sales, the second with the American commercial employees of Caracas, and the third with the students of the College of San Francisco de Sales, in which we won a loving cup offered by the Minister of Public Instruction. Tennis was frequently enjoyed and excursions to the beautiful mountain, Ávila, were also organized.

Every opportunity was offered our students to mingle socially with the best families of Caracas. Thus, they had not only the means to practise Spanish, but also a rare opportunity to enjoy intimate contact with the character of the Venezuelan people, whose constant kindness and genuine courtesy made a deep and lasting impression on the Georgetown boys.

Among the persons entitled to our gratitude, besides those already mentioned, are Dr. Vicente Lecuna, a senator of the country and the President of the Banco de Venezuela, a man universally respected by reason of his high moral character, who was instrumental in obtaining for us valuable information and who showed himself tireless in his efforts to help our students at every turn and on any subject; Dr. Víctor V. Maldonado, the Director of the Industrial Exhibition; Mr. Atilano Carnevali, President of the Federation of Students, and all the members of the Federation; the Reverend Evaristo Ipiñázar, S. J., Rector of the Seminary; Monsignor Nicolás E. Navarro, Apostolic Prothonotary, and all the dignitaries of the Church, among whom special mention is respectfully made of Monsignor Rincón González, the Archbishop of Venezuela, and His Excellency, Monsignor Marchetti, the Papal Nuncio. Dr. Manuel C. Correa of the Department of Public Instruction, the Director of the Normal School and the faculties of the University and of the different institutions of learning in Caracas also deserve our grateful remembrances.

The Venezuelan press was extremely kind to us in its remarks. An expression of sincere thanks is due to *El Nuevo Diario*, *El*

Imparcial, El Universal, Religión, Actualidades, Billiken and other publications.

As a last honor, your representative was decorated with the medal of "Public Instruction" by the Executive of Venezuela, according to a decree of July 27, 1920, published in the *Official Gazette* of the country on Friday, August 13, of the same year, No. 14,138. In his answer to the communication of the Minister of Public Instruction notifying him of this honor, your representative made it clear that this recognition is very superior to his personal attainments and is to be considered an honor conferred on the School of Foreign Service rather than on himself.¹

Respectfully submitted,

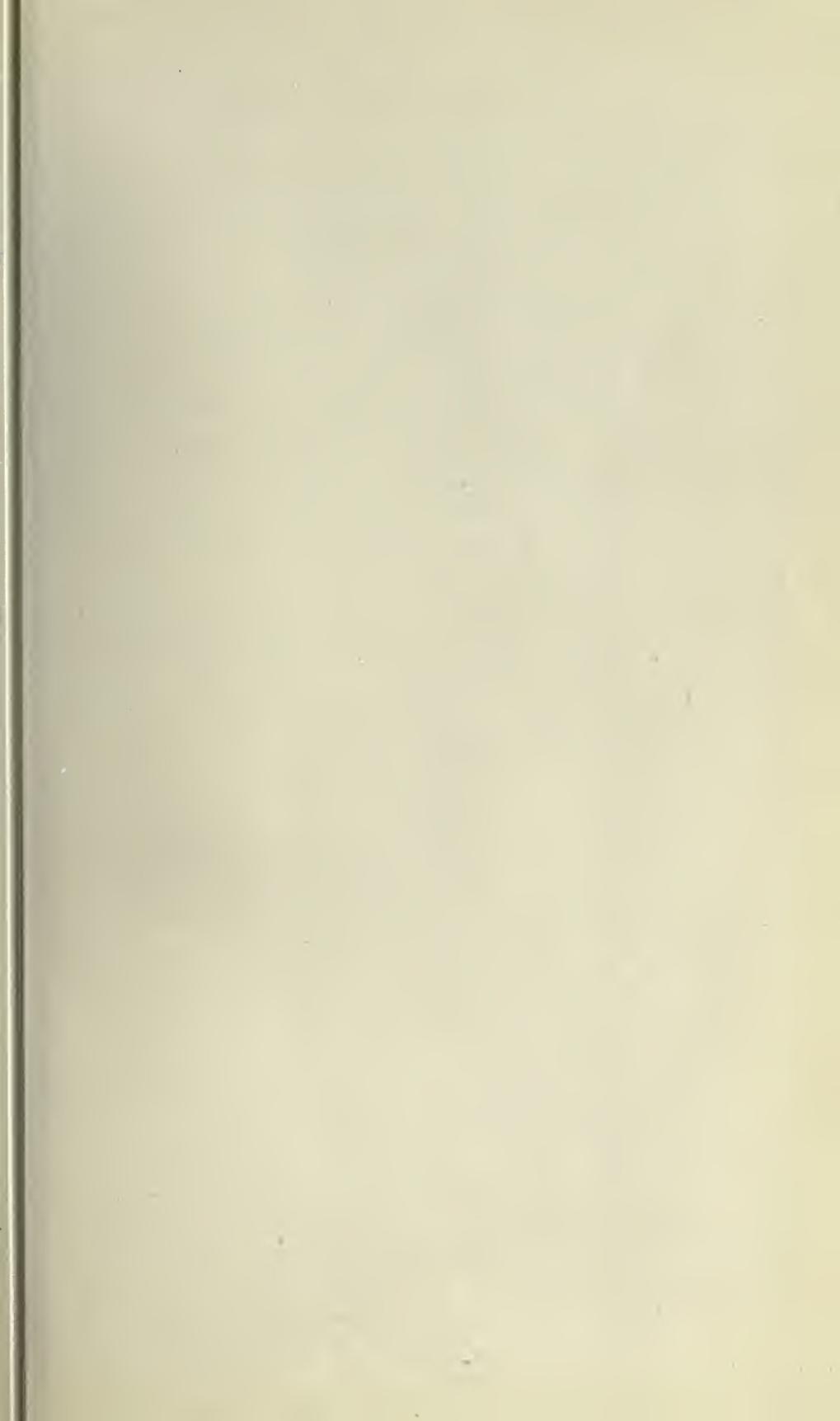
G. A. SHERWELL.

To

EDMUND A. WALSH, S. J.,
*Regent of the School of Foreign Service,
Georgetown University,
Washington, D. C.*

¹The Medal of Public Instruction has since been conferred by the President of Venezuela on John B. Creeden, S. J., President of Georgetown University and Edmund A. Walsh, S. J., Regent of the School of Foreign Service.

Dr. Sherwell was further honored by the Venezuelan Government with the high distinction of membership in the "Order of the Liberator."





EDWARD FANNING WILLIAM JOHNSON JOSEPH P. QUINLAN GEORGE A. TOWNSEND PAUL BABBITT
FRANK CHIRLEISON NELSON HOPKINS PHILIP D. SULLIVAN THOMAS MORRIS JAMES F. COSTELLO DAVID SCHLESINGER MATTHEW HEILER
WILLIAM C. FORDHAM FREDERIC L. MCGOWEN J. HOWES RICHARDSON DE QUERVANT WARREN L. POWERS LAVES I. CONNELL GROVER E. MCKEEON

PART II

STUDENT REPORTS

THE ECONOMIC HISTORY OF VENEZUELA

REFERENCES USED.—History of South America, W. H. Koebel; With the Trade Winds, Ira Nelson Morris; The Land of Bolivar, Statesman's Yearbook, 1918-1919; Reports of International High Commission; Reports of Minister of Finance (Venezuela); Official Gazette of Venezuela.

GEOGRAPHICAL

The United States of Venezuela occupies the northernmost part of South America bounded on the ocean side by the Atlantic and the Caribbean and on the land side by British Guiana, Colombia and Brazil. It has an area of 393,976 square miles (1,020,396 kilometers) with a population, however, of only 2,848,121 or approximately 7 to the square mile. This is in striking contrast with the figures obtained from the United States Census of 1920 which shows an average population of 35.5 to the square mile.

Venezuela is divided geographically into four zones, the *llanos* or large plains and river valleys which afford excellent opportunities for the raising of cattle, the *mountain section*, formed by three mountain ranges, the *table lands* or plateaus and the *mining zone*. Venezuela covers the same extent of superficial area as France, Belgium, Holland, Denmark, Switzerland, Portugal, the United Kingdom of Great Britain and Ireland. The country is especially fortunate in having an immense coast line which extends over 1,800 miles. It has 32 ports, some 50 creeks and bays, 7 peninsulas and 7 straits. Besides the Lake of Maracaibo, which is the largest and of special importance, there are also 204 smaller lakes, 60 rivers, 8 of which are of the first magnitude. Along with the variety of physical features Venezuela has a variety of climate which permits the raising of many crops of the tropical and temperate zones.

POLITICAL

Venezuela was sighted by Columbus on his third voyage in 1498, when he entered the Gulf of Paria and sailed along the Delta of the Orinoco. In 1550 this territory became the Captain-generalcy of Caracas and remained under Spanish rule until early in the nineteenth century.

The modern history of Venezuela dates from the year 1813 when Simon Bolívar took up arms against the Spanish Government and finally defeated them at the Battle of Boyaca on August 7, 1819. Two years later at Carabobo the Royalist forces were entirely routed and an end was put to Spanish control in South America.

Simon Bolívar is venerated in Venezuela as the father of his country, a title which he richly deserves. He was born in Caracas in 1783 and from his earliest years his life seemed to be dedicated to the cause of freedom. As a young man he studied in France and was an eye witness to many of the scenes of the French Revolution, so that the spirit of freedom and revolt against despotic government was further intensified in him.

After his victory over the Spanish forces in 1821 Bolívar was formally appointed President of Colombia which then included the present republics of Venezuela and Ecuador. In 1830 Venezuela separated from Colombia and became an independent state. The remainder of Bolívar's public career was devoted to tireless labor in behalf of his people that they might enjoy a stable and beneficial government. He died at Santa Marta on December 17, 1830, almost penniless after having labored throughout his entire life in the interest of his native country.

On March 30, 1845 Spain recognized the independence of Venezuela in the Treaty of Madrid.

A period of successive revolutions followed until finally in 1870 Guzman Blanco assumed control of the country as dictator. Evading the provisions of the constitution which prohibits the election of a President for successive terms, Blanco successfully arranged through two decades for the nomination of some one of his colleagues who was to hold office as a figurehead.

The people finally tired of this procedure and in 1889 there was a revolt against the dictator which resulted in his overthrow.

At the elections which followed General Andueza Palacios was elected to the presidency, but another revolution followed in 1891, during which Palacios was unseated and General Crespo, his vanquisher, took up the reins of government.

During the administration of General Crespo trouble arose with Great Britain over the boundary between British Guiana and Venezuela. President Cleveland intervened in 1895, urging arbitration and finally in 1899 the matter was amicably settled. This difference with Great Britain left certain memories with the Venezuelan people which for a long time operated to the discouragement of British capital.

After another series of revolts, General Cipriano Castro became president in 1900. Internal disturbances continued and in addition to this misfortune, Castro ruled as a dictator, employing corrupt and revolutionary methods which not only aggravated the domestic disease but ruined credit before the nations of the world. In 1907 the Belgium debt was repudiated and the following year trouble arose with Holland regarding the harboring of refugees in Curaçao. Diplomatic relations were also broken off with England, Italy and France during Castro's administration. Finally, in 1908 he found it advisable to retire to Europe and in his absence Juan Vicente Gómez, the Vice President, took control and was installed as President in June, 1910. General Gómez still exercises the supreme power in his capacity as Commander-in-Chief of the Army.

PRODUCTS

(See Reports on Agriculture, Minerals, and Animal Industries.)

BANKS AND CURRENCY

There are four national banks in the country—the Bank of Venezuela, the Bank of Caracas, the Bank of Maracaibo and the Commercial Bank. These four banks issue paper currency, which is not legal tender, although generally accepted as such.

Previous to the establishment of branch banks in Venezuela by foreign concerns, the majority of import and export houses doing business in the Republic were engaged in domestic and foreign banking business. As a general rule, these merchants charged such a high rate of interest that individuals could not

improve their property nor prosper in their regular agricultural pursuits.

In 1916 the Royal Bank of Canada opened a branch in Caracas and in several other places in the country. Three years later the National City Bank of New York entered the field and opened branches in Caracas and Maracaibo. Other concerns which have opened branches are the Anglo-Spanish-American Bank, Ltd., The Commercial Bank of Spanish America, Grace & Co. of New York through their branch, the Venezuela Commercial Company, and The Mercantile Bank of the Americas.

The currency is on a gold basis and gold coins of foreign countries are accepted as legal tender. The coinage of silver and subsidiary metal is restricted.

The bolivar, named in honor of the Liberator, is the monetary unit and contains 1-1000 part of a kilogram of gold.

Gold coins are issued in 5, 10, 20, 50 and 100 bolivar pieces. Silver coins are issued in 1, 2½, 5 bolivar pieces and 50 and 20 centimo pieces. The smaller, token coins, are of nickel in 12½ and 5 centimo pieces. The five-bolivar piece is commonly known as the "fuerte" and is worth \$.96½ in U. S. gold.

AIDS TO ECONOMIC DEVELOPMENT

Capital can be supplied in either of two ways: by investors from foreign countries or through loans made by the government of Venezuela to individuals who are unable to interest outside capital. For the welfare of the country, the latter seems to be more advisable, as it would reach a larger number of small farmers who are not in need of large sums, and who moreover are not familiar with the financial requirements of foreign investors.

A provision similar to the Federal Farm Loan Act passed in the United States in July, 1917, would be of immense importance in aiding agriculture enterprises.

The lack of immigration has long been a serious problem in the economic development of this country; it can only be said that the government has this question under discussion and probably something will soon be done to induce immigrants to come to Venezuela where a multitude of opportunities await them.¹ However, it will be necessary for the government to

¹See report on new Immigration Act, pp. 39-41.

assure this class of prospective citizens that the bulk of desirable land is still in the hands of small holders and that the power of the government is sufficient to protect the small farmers.

In spite of the fact that the country is very sparsely settled, the present railroad system is inadequate and large tracts of land are of little or no value because of the expense of handling the products. Obviously, the products of these areas can not successfully compete in the world's markets, if the margin of profit has been absorbed antecedently by high transportation expenses.

The oldest railroad is the Bolivar Railroad which was begun in 1873. It is a 24-inch gauge, 176½ kilometers long and extends from Tucacas to Barquisimeto. The La Ciella line was authorized in 1880 and has a 91-meter gauge and a length of 81½ kilometers.

The most important road and one of the few which has paid any returns is the La Guaira to Caracas line, which is about 23 miles long and was built by British capital.

In passing it can truly be said that railroad development has been retarded as much by political insecurity as by the undeveloped industrial state of the country, the topography and the expense of securing railroad equipment. However, the present administration is giving considerable attention to this need and an extensive program of wagon-road building is now in process of construction and plans have also been perfected for extensive railroad expansion.

GOVERNMENT

The Republic of Venezuela was founded in 1830 by separation from the other members of the "Free State" established by Simón Bolívar within the limits of the old Spanish colony of New Granada. The Constitution was modeled after that of the United States of North America, but greater autonomy is allowed to provincial and local governments.

The chief executive is the President, elected for a term of six years, assisted by six ministers and a Federal Council of 19 members. The Federal Council is appointed by Congress every two years; the Council chooses a President from its own members, who is also President of the Republic. Neither the

President nor members of the Federal Council can be re-elected for the following period.

The legislative branch of the government is divided into two houses called the Senate, whose members are elected for six years by the State Legislatures, and the House of Representatives, whose members are also elected for a six year-period, but by direct vote, one to each 40,000 inhabitants.

The country is divided into 20 States, 2 Territories and a Federal District. The National Congress includes 40 Senators and 52 Representatives. Each state has an equal number of representatives, each having a legislative Assembly, whose members are chosen in accordance with its respective constitution.

PROSPECTIVE

Venezuela stands to-day upon the threshold of great interior development especially in agriculture and cattle-raising. Her position is similar to that of the United States after the Civil War when vast areas, sparsely settled, lay awaiting the movement of population to develop them. Her mineral resources are practically untouched and opportunities await foreign capitalists who are familiar with the development of new countries.

The political situation, however, should not be neglected. W. H. Koebel in his "History of South America" says, "No state of South America can show such a perpetual ferment, such a fog of unrest and strife hanging over and choking its development as this." Whether or not the past eight years of stable government and national prosperity has demonstrated to the people of Venezuela the proper course to follow is a question beyond the scope of the present inquiry.

In any event, the foreign investor will be well advised if he places his capital in Venezuela only after mature consideration of the political changes of the last two decades and the ability of the present administration to carry through its policy of enlightened development.

James F. Costello.

POPULATION, IMMIGRATION, EDUCATION

REFERENCES:

- Census Bureau, Caracas, Venezuela, July, 1920.
Memoria del Ministro del Fomento, 1920.
Confidential Report of Department of Commerce 1919.
Memoria de Instrucción Pública, 1918, 1919, 1920.
Memoria de Obras Públicas, 1920, Vol. 1.
Encyclopaedia Britannica.

The last official census of Venezuela, which was completed in the year 1891, placed the population of the country at 2,323,527. According to the Venezuelan Year Book of 1904, 10% of the people are white and of European descent, but by far the larger part, possibly 70% of the total, is a mixed race in which white and Indian blood prevail, the remainder being pure Indian blood. It is not to be expected that the new census, begun in August, 1919, will show any great changes because of the three following reasons:¹

1. The neglect of sanitation and hygiene in the past, which was responsible for a heavy death rate.
2. The numerous civil wars and revolutions, which ended however some fifteen years ago, when a reconstruction period commenced under the present régime.
3. Comparative lack of immigration, the actual increase being balanced by the yearly total of emigration of Venezuelans to foreign countries.

The future, however, holds brighter prospects due to the fact that remedies have been found for the first two causes, and energetic efforts are being made to increase immigration, as will be shown in detail later.

Within an area of approximately 394,000 square miles the greater part of the people is found in the regions of Lake Maracaibo, the Federal District of Caracas and along the Coast, the Southern and interior sections being to a great extent unknown and unexplored. The region of Barquisimeto in the state of Lara is the most densely populated area, while in Apure far to the south is found low swampy land, sparsely populated, inter-

¹In 1917 the population was estimated as 2,848,121. The last census, 1919-1920, may show some increase.

laced with a network of rivers, which in the rainy season cover the entire country with a blanket of water, making travel impossible for months and mail deliveries most difficult and irregular.

The agricultural zone extending along the coast and inland to the Orinoco, employs 20% of the population in this pursuit alone, and contains all the important cities of Venezuela, with the exception of Ciudad Bolívar. The largest city is Caracas, with a population (including the Federal District) estimated to-day at 137,687, an increase of 47,687 since 1891. Its sea-port is La Guaira, connected by a railroad winding around 23 miles of mountains. The second port of importance is Puerto Cabello in the vicinity of Valencia, the second largest city of Venezuela, which has a population estimated at 64,681. Maracaibo with 48,480 is the third largest city in Venezuela, being second in the country in business importance. This last district ought to have the heaviest increase in the future due to the location of the mines and petroleum wells in this area which attract the majority of immigrants, while its heavy coffee exportations offer a wide field for investment and employment.

Mérida, and Barcelona with its port of Juanta which serves the coal and salt mining regions, are two important populous regions while other cities varying in population from 10,000 to 50,000 are Ciudad Bolívar, Barquisimeto, Trujillo and Juanare.

A glance at the following data, with the last two reports approximately estimated, will serve to show the increase.

1891 official census	2,323,027	Ratio per square kilometer	22
1911 " "	2,743,833	" " " "	26
1917 " "	2,848,121	" " " "	27

The most heavily populated districts are:

Federal District....	137,687	Density per square kilometer	70.2
Carabobo.....	193,234	" " " "	43.9
Nueva Esparta....	52,431	" " " "	39.6
Trujillo.....	185,624	" " " "	24.4

The least populated states are:

Bolívar	69,938	Density per square kilometer ..	.03
Apure.....	30,008	" " " "	.04

The territories which have had no increase since 1891:

Amazonas.....	45,097	Density per square kilometer .....	.02
Delta-Amaeuro.....	9,243	" " " "	.02

Revised statistics June 19, 1920, for the city of Caracas:

Catedral.....	12,229
Altamira.....	14,280
Santa Teresa.....	6,050
Santa Rosalia.....	19,284
Candelaria.....	13,344
San Juan.....	16,436
La Pastora.....	11,409
San Jose.....	6,688
 Total.....	 90,720
Remainder of District.....	46,967
 District total.....	 137,687

Yearly increase of population estimated from comparative statistics of births, deaths, immigration and emigration:

1910.....	28,091
1911.....	30,310
1912.....	11,797
1913.....	24,050
1914.....	24,988
1915.....	12,904
1916.....	9,589
1917.....	20,359
1918.....	8,308
1919.....	20,590

IMMIGRATION

The nationalities that immigrate to Venezuela, in order of numbers, at the present time are Americans, Germans, Italians, Spaniards, Syrians, Hollanders, with few French and English. Of these, the Spaniards, Italians and Syrians alone, with a few odd exceptions, become citizens. Before the war, Germany furnished the preponderant immigrant element but to-day the Germans are coming in fewer numbers, and Americans are increasing proportionately.

The reasons for the American increase are mainly the establishment of three branches of the Royal Bank of Canada in Venezuela in 1916; the National City Bank of New York with two branches, one in Caracas the other in Maracaibo, and the Mercantile Bank of America with branches in the same two cities. As mentioned above, the petroleum activities in San Lorenzo in the Maracaibo district, the mines and coffee ventures, also brought many Americans.

The lack of immigration in the past has been due mainly to

sanitary conditions, and the internal troubles of the country. The foreigner, if unmolested long enough to build up a profitable business, faced the danger of having it swept away, and his life endangered during one of the frequent revolutionary outbreaks prior to the present régime. However, great efforts are being expended to promote immigration as vitally necessary for the future successful upbuilding of the country, for Venezuela relies for her increase in population upon this source and consequently several methods have been pursued to attain this end. A glance at the laws of immigration formulated January 7, 1893, will show the favorable inducements offered foreigners.

The Decree of 1893 created a Board of Immigration to promote colonization. The Board is known as the Central Board of Immigration and established subordinate boards throughout the country. These societies, state societies, as well as private companies, were authorized to make the following favorable concessions to induce foreigners to come and colonize unused lands.

1. Payment of the immigrant's passage by land and sea, from the place of embarkation to any of the main immigrant depots. The National Government may also pay the passage of the immigrant from the place of residence to the place of embarkation.
2. Payment of landing expenses and board and lodging for thirty days after arrival.
3. Admission free of duty of their wearing apparel, domestic utensils, and instruments of trade.
4. Exemption of any payments for necessary passports.

SPECIAL PROVISIONS

All rights accorded by law to aliens are guaranteed, and if naturalized they are exempt from military duties, except only in case of foreign wars.

Special provisions were also made in behalf of individuals and companies organizing colonies for settlement in Venezuela.

The manner of making contracts with immigrants is carefully specified in the following manner:

(a) Those who purchase lands during the first two years of their settlement, shall not be bound to pay the price thereof until after the expiration of four years, counted from the day actual possession is taken. They can not dispose of the land, however, during this period.

(b) The title is not to be determined until the stipulated price is paid and the required cultivation and residence proved.

Special provisions and concessions were also made for the colonization of public lands by private individuals and companies.

There is an annual appropriation in the National Budget to promote this project. At the time of this writing, Mr. Simon Barcelo is in Europe, traveling through the different countries inducing immigrants to come, and acting as a forwarding agent. The result of his endeavors is being manifested in the increased number of immigrants arriving within recent months.

Venezuela's immigration is bound to increase in the future, for advertisement is bringing results. The subjoined statistics will show that this is not the only problem confronting the Government, for the balance of immigration and emigration is only slightly in favor of the former, as many Venezuelans leave the country yearly for the West Indies, the United States and Europe. Whereas before the war, the majority of the youths were educated in Europe, and travelers naturally sought Europe, difficulty of communication and transportation during the war turned the stream toward the United States, and the present popularity of Americans in Venezuela bids fair to perpetuate this condition of affairs.

Year	Immigration	Emigration
1910	8,273	7,233
1911	9,204	7,219
1912	9,615	7,981
1913	11,617	10,708
1914	10,610	9,742
1915	9,818	8,770
1916	8,596	7,639
1917	7,857	7,182
1918	6,153	5,841
1919	12,433	12,897

PUBLIC EDUCATION

Education in Venezuela is free, and in the six primary grades is compulsory, the schools from the ages of 7 to 14 years being maintained by the National Government, State, or Municipality, the Department of Education being under the direct supervision of the Minister of Public Instruction, with subordinate officials forming a board. In 1908 Mr. Guillermo Todd, a distinguished Venezuelan educator, was sent to the United States, where he spent two years in the larger cities inspecting

the school system, the normal schools and universities. On his return he was appointed superintendent of schools, and reorganized the system, introducing many American ideas and methods which largely prevail to-day.

The maintenance of the educational system depends upon the receipts from stamps, from post-cards and letters, from fines collected from violators of the instruction laws; from taxes upon inheritances, imposts upon tobacco leaves and manufactures, and from the proceeds of the revenue stamps placed upon boxes of cigars.

During the school year of 1919 there were founded two primary schools with three teachers each, two with two teachers and nine schools with one teacher. Two schools were suspended and eleven changed into co-educational with one teacher, while thirteen schools changed their location. Heretofore education has followed the population only. Outside the cities, towns and large cities near the coast there were scant educational facilities, and the rural population was to a large extent uninstructed, there being no schools nor teachers. During 1917 a movement was inaugurated to establish rural schools in all industrial districts, and migratory schools of this kind are now in operation in Frujillo, in Mario El Cantado and Caracas, the states and municipalities have taken the matter in hand. On September 19, 1919, a decree was passed by the National Government to offer a bonus in the form of wages, of from 100 to 200 bolivares (\$20.00 to \$40.00) to competent persons possessing a certificate of primary elemental instruction, who would enroll and teach children below fourteen years of age the rudiments of education in localities of small population where there were no public schools nor teachers. The bonus to be received varied according to the number of pupils enrolled; many small classes are now in operation throughout the rural districts.

The Obligatory Instruction Law compelling children from 7 to 14 years of age to attend class has been rigidly enforced by Government decree during 1919; a list of offending parents is compiled and they are visited by educational officers, and fined if found guilty of not sending their children to school. By an order of June 20, 1919, English is to be henceforth taught in all primary schools, in view of its present importance as a commercial language. On September 1, 1919, appropriation being made,

two new Manual Training Schools were founded, one at Mérida, the other at San Cristobal. Physical training is now considered an important part of the training, and at least a half-hour a day is spent in calisthenics and gymnastic training. In 1918 the Boy Scouts movement was proposed, and introduced into the schools of Maracaibo, where under the supervision of Mr. W. Douglas it has been intertwined with the courses of the public educational institutions. This movement is now receiving national prominence, and gained favorable commendation in the *Memoria de Instrucción Pública* (1918).

According to the latest data, there are approximately 1,500 primary schools in Venezuela with 50,000 pupils enrolled, but the system is laboring under the difficulty of a lack of teachers, due to inadequate compensation. The children attend school six days a week, but on Saturday have class in the morning only. The curriculum consists of a daily lecture or assembly, elements of the Spanish language, arithmetic, the legal system of weights and measures, rudiments of etiquette and hygiene, moral and civic instruction, gymnastic exercises or national songs, and elements of manual training. The afternoon classes embrace writing, geography, history, topics of the day and gymnastic exercises.

The Secondary Education of Venezuela is not as generally widespread, in proportion, as primary education. There are 102 schools of this class corresponding to high schools in the United States; 58 are for boys, 38 for girls, and 4 are co-educational. Some are grouped into Federal Colleges and Normal Schools annexed to Federal Schools in Caracas and Valencia.

Caracas is nominally the center of education in Venezuela. Here are found two normal schools, one for men and one for women, and two national schools of arts and trades, one for each sex. In 1917 Schools of Commerce were instituted at Caracas, Maracaibo, Puerto Cabello, Curúpano and Ciudad Bolívar. These are similar to our own commercial schools, teaching languages, bookkeeping, stenography, accounting and the like. Besides, there are found throughout the country thirty-four schools of higher instruction, and twenty-one subsidized by the Government.

One institution, founded June 30, 1919, may be interesting to note, *viz*, the National Telegraph School of Caracas in which the

first pupils were enrolled from July 1 to 7, 1919. The school is situated in the Federal Telephone and Telegraph Building.

The candidate must have the following qualifications:

1. Be a Venezuelan.
2. Over 15 years of age and under 25.
3. Have had elementary primary instructions and the certificate issued for the same.
4. Be of good character.
5. Have no contagious diseases, and no physical defects.
6. In case he is a minor he must have the permission of his legal guardian.

There are six National Universities, located in the following cities:

1. Central University of Caracas.
2. The University of the Andes at Mérida.
3. The University of Valencia in the State of Carabobo.
4. The University of Maracaibo in the State of Julia.
5. The University at Ciudad Bolívar in the State of Bolívar.
6. The University of Barquisimeto in the State of Lara.

The following courses are pursued in the Universities: Medicine, Law, Political Science, Philosophy and Letters, Dentistry and Pharmacy.

The length of these courses is six years with the exception of pharmacy, which is a four-year course.

Among the professional schools the following are of greater importance:

1. School of Engineering at Caracas.
2. School of Naval Construction at Puerto Cabello.
3. School of Political Science at San Cristobal.
4. School of Medicine in Caracas (founded December, 1915). A free dispensary is attached, subsidized by public funds under the direction of Civil Hospitals.
5. School of Dentistry, Caracas (1916).
6. School of Sciences (Physical, Natural and Mathematical) Caracas (December, 1915).
7. School of Chemical Research.

Of the Academies the more important are:

1. Those of natural science, music, oratory and modern languages found in the larger cities.

2. The Academy of Language in Caracas devoted to the national language and literature.

3. The Academy of History in Caracas devoted to national history.

4. One seminary at Caracas,—the Catholic Seminary for Theology and Canonical Jurisprudence.

Under "miscellaneous" we may consider the following:

The National Library of Caracas containing 50,000 volumes; a national museum containing a valuable historical collection; the Cajigal Observatory devoted to Astronomical and Meteorological work; the libraries of Valencia and Maracaibo, and the Pasteur Institute in Caracas.

Among the educational achievements of the past few years, the following are worthy of mention:

1. Departments for engineering work.

2. Departments for the administration of budget.

3. Improvements in laboratories in physics, mineralogy, geology, botany and zoology.

4. Enlargement of the libraries and improvement of the school of medicine.

5. The schools of arts and crafts for men has 541 men enrolled. The clever map making of the students should be especially noted.

6. The meteorological stations in Mérida, Maracaibo and Calabozo.

The appropriation for education for the fiscal year July 1, 1920 to June 30, 1921, recently passed by the Venezuelan Congress, contains the following items:

	<i>Bolivares</i>
1. Ministry	120,580
2. National Council of Instruction.....	119,016
3. Primary Education.....	2,465,542
4. Secondary Education.....	259,240
5. Normal Education.....	203,940
6. Board of Inspection.....	135,600
7. Superior Instruction and Institutes of University Extension.....	373,781
8. Special Instruction.....	326,672
9. Celebrations and Entertainments.....	143,940
10. General Costs.....	180,000
Total.....	Bs. 4,328,181

It may be said in conclusion that Venezuela fully recognizes the importance of sound educational institutions and every effort is being expended to bring about the desired results through legislation. The work is slowly materializing but assuredly progressing. By far the greatest problem is the lack of professors. Educational progress has of necessity been retarded in the past but as the era of prosperity of the country has been gradually, but surely, dawning, this important branch has not been neglected, and a brighter future is before the Venezuelan youths which will preclude the necessity of going abroad, as they have done in the past, to complete their training.

The country has need of highly educated men; it is determined to provide the institutions necessary to satisfy these needs.

Thomas F. Morris.

PORTS OF VENEZUELA

With an increasing commerce and steady betterment of domestic economic conditions, the ports of Venezuela are rapidly assuming a position that for continued development and general good condition has never been equalled in the history of the country. All countries recognize the vital economic value of ports and with few exceptions can gauge their own prosperity by the nature and number of their harbors. Few countries are more dependent upon their ports than Venezuela. Because of poor inland communication with neighboring countries, and an inability to maintain itself, largely due to lack of manufactures, and due also to a marked dependence upon the outside world for the marketing of its products, this nation is to a high degree reliant upon its foreign commerce and hence, in turn, upon its ports.

Fortunately, Venezuela has a long coast line of 3,020 kilometers, indented with 32 harbors, 50 small bays and many coves. The most important ports in the approximate order of importance are: La Guaira, Maracaibo, Puerto Cabello, Ciudad Bolívar, Carupano, Puerto Sucre, La Vela, Cristobal Colón, Caño Colorado, Guanta, Pampatar, Imataca and San Antonio

del Táchira. At the present time many of the best natural ports and the most favorably situated are still undeveloped or occupy a secondary position. This is partially due to the lack of development of their naturally rich and fertile hinterlands, difficulties of transportation and unsympathetic government legislation. However, remedies are now being applied and it can safely be predicted that certain of the minor ports will soon outstrip the older and better developed ones. A brief survey will serve to show the general nature and economic status of some of the better known ports.

Chief in importance is LA GUIAIRA which, connected with Caracas by 24 miles of railroad, stands as the commercial center of Venezuela and will be treated in more detail later.

MARACAIBO

Situated on a fresh water lake of approximately the same size as Lake Erie, the Port of Maracaibo drains a large hinterland. Coffee and petroleum are its two important exports. Besides that of Venezuela, much coffee of Colombian origin is exported from the port. It may also be noted that there is an ever increasing exploitation of petroleum and a corresponding demand for harbor facilities. Physically the port enjoys a great advantage in being located on a large lake fed by numberless rivers.

The lake itself could accommodate vessels of thirty-foot draft, while three of the largest rivers, the Catatumbo, Lulia and Escalante can be travelled by river steamers of fair size. The two former streams are navigable as far as Villamizar in Colombia, and afford a fine transportation route for the coffee and other products of Santander. However, the port suffers a great disadvantage, as the main channel leading into the port is obstructed by a bar. The depth of water on this bar ranges from seven feet at low tide to twelve feet at high tide. The project of dredging the channel seems to be entirely feasible and if accomplished would add greatly to the general prosperity of Venezuela.

PUERTO CABELLO

Deriving its name from the fact that its waters were considered so placid that a vessel might anchor within its protection sustained by a single strand of hair, Puerto Cabello remains the most sheltered port of Venezuela. Equipped with a floating dock 282 feet long, 80 feet wide and 21 feet high, it is able to take care of vessels up to 2,000 tons and has proved especially serviceable for the small steamers that serve the coast cities of Venezuela and Colombia. Coastwise vessels of light tonnage are constructed here and repairs of an extensive nature may be made. Many improvements to the ship building plant and repair docks are under way and the new floating dry dock when completed will permit the docking of vessels up to 4,000 tons, which means that it will be capable of accommodating practically all vessels that touch Venezuelan ports. The average depth of the harbor is 28 feet. Cattle are an important export, large consign-

ments being made from the surrounding country. A frozen meat establishment controlled by English interests is of considerable value to the port, the meat being shipped to England in special ships. Puerto Cabello is 20 miles distant from Valencia and has railroad connections with both it and Caracas. Other exports besides cattle are coffee, cacao, dyewoods, hides, skins, and copper ores.

CIUDAD BOLÍVAR

A river port situated on the right bank of the Orinoco 240 miles above its mouth, Ciudad Bolívar is the commercial center of the Orinoco basin. A bar which blocks the river channel prevents ships of more than twelve feet draft from navigating the harbor. Due to the large quantity of sand deposited by the river and its tributaries, dredging is practically an impossibility. Vessels of less than twelve feet draft can go up the Orinoco as far as San Fernando de Apure. The principal exports are cattle, horses, mules, tobacco, cacao, rubber, tonka beans, bitters, hides, timber and other forest products. The port has connections with government land lines, regular communication with the lower and upper Orinoco and steamship lines to New York and the Antilles. The government imposes a surtax of 30% on imports from the West Indies which greatly diminishes the commerce of the port.

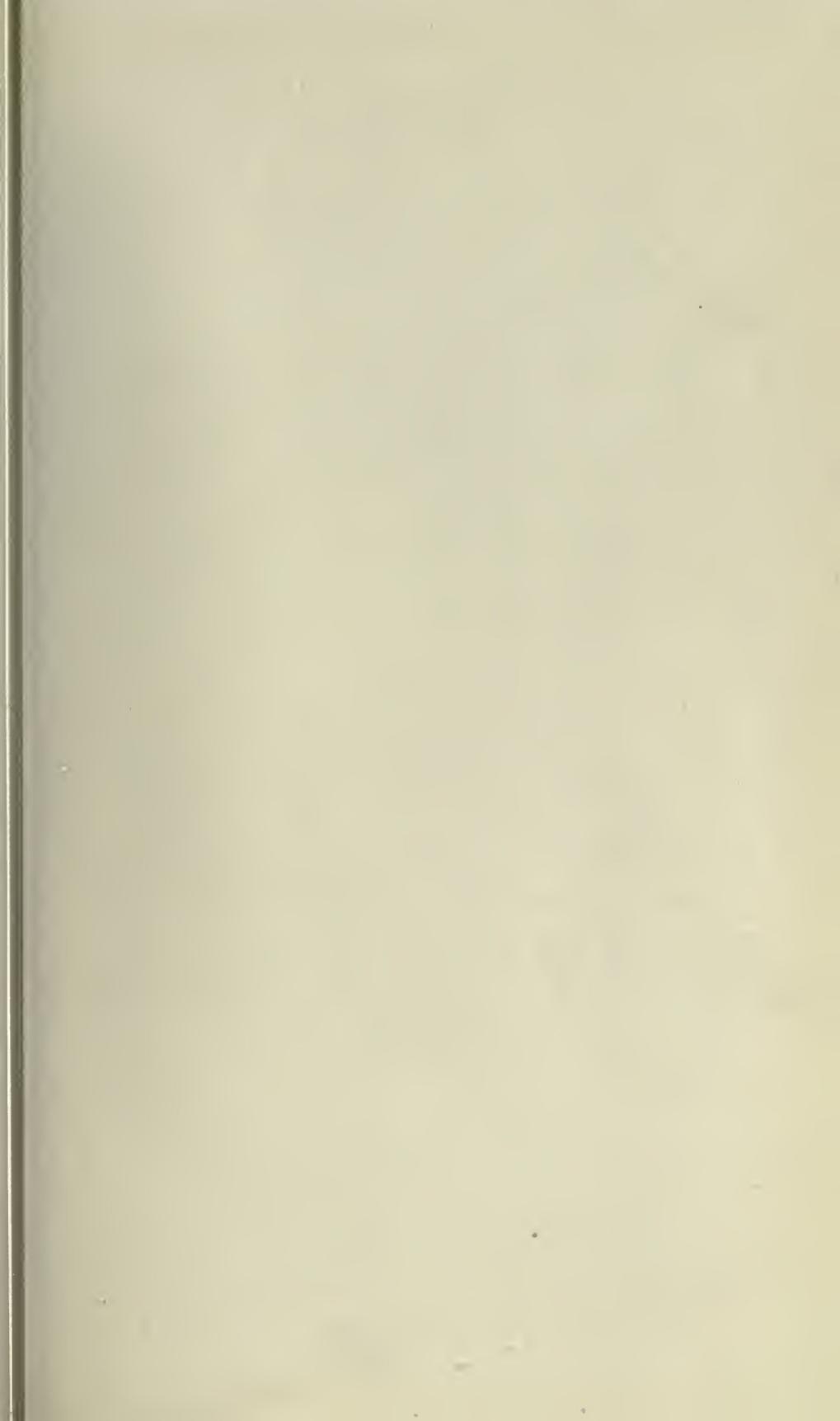
MINOR PORTS

Carupano is well located for commerce, being on the Caribbean coast at the opening of two valleys. It is the commercial center of the rich and populous hinterland of the valleys of Tunapui and Pilar and the valuable forests of Coiguar. The principal exports are coffee, cacao, cotton and forest products. Although possessing fair wharves, the harbor is very open and cargo must be moved in lighters and launches to the piers. Traffic is almost entirely of a coastwise nature with La Guaira.

Guanta is one of the eastern ports of the country and has an excellent natural land-locked harbor. Its wharf can accommodate trans-Atlantic steamers, although commerce from abroad is light. The wooden pier, formerly in very bad condition, is being replaced by one of concrete. Guanta is connected by twenty-four miles of railroad with the coal mines of Naricuse and furnishes fuel for coastwise vessels. Large numbers of cattle are raised in the surrounding country and upon the completion of improvements the harbor should have a very bright future. By a government decree of 1917 the port was closed to import commerce and depends almost entirely upon exports for its functioning.

Puerto Sucre is situated west of the city of Cumaná at a distance of less than a mile. It is equipped with a wooden pier constructed by the Cumaná and Carupano Pier Company. The depth of water varies greatly and the loading and unloading of vessels is accomplished in lighters belonging to the company. The commerce of the port is small, most being undertaken with the neighboring ports of Venezuela.

La Vela borders on a low swampy region and is connected by railroad with Coro. Except for a small coastwise trade with Puerto Cabello, the port enjoys little commercial activity. Coal mines are near by and with their future exploitation an increase in commerce may be expected. The waters of the harbor are unusually rough and lighters must be used for discharging cargo.





RANCHO GRANDE
THE ROAD THROUGH THE MOUNTAINS



PORT OF OCUMARE DE LA COSTA ON THE CARIBBEAN

While there are many other ports besides those mentioned above, their commerce is so light and in such a poor state of development that more consideration need not be given them here. For the most part, their commerce is entirely coastwise and is carried on principally in small sailing vessels. The fundamental obstacle to their future progress and indeed to the progress of the entire nation seems to be lack of population—a difficulty which the government is striving hard to overcome by furnishing immigrants with free transportation, and paying passport expenses.

SPECIAL PORT ACTIVITIES

At present there are no free ports in Venezuela and despite many rumors and much discussion the establishment of a free port, at least for some time, seems improbable. However, the Minister of Finance has recommended the installation of bonded warehouses at some port centrally located on the coast mainly for the better accommodation of coastwise trade. Cargoes could be placed for a long period of time in the proposed warehouses and the charges collected with the movement of goods. The advantage of such a plan would be principally the ability of profiting from market conditions and the fluctuation of prices. The execution of this plan depends solely upon the legislation of the government and will be officially considered in the near future.

Of far greater importance is the proposed project of transforming Puerto Ocumare de la Costa from a small harbor with very little commerce into a leading port capable of becoming a formidable rival of La Guaira. For the accomplishment of this the former port would have to be connected by railroad with Maracay, a distance of 43 miles, and goods shipped to the territory which La Guaira now supplies. The railroad would be very difficult to construct as it would have to traverse a mountainous country and would take years to complete. Engineers are considering the feasibility of the undertaking. The reason for the new project is generally believed to be the raise in rates of the La Guaira Harbor Corporation brought about by changing from weight to volume measurement of cargo. The company justifies its charge advance on the grounds that it was necessitated by the increase in wages due to strikes. However,

the government insists that the raise is entirely out of proportion to the increase in salary paid. The new rates impose an increase in charge of 37½% on coffee, 87½% on cacao and 300% on hides. Proportionate increases are made on many other articles.

It is needless to say that if the plan is carried out it will directly or indirectly affect a large portion of the country. And whether the economic advantages, such as new harbor development, the opening up of new lands, and the increased mileage of railroads will justify the disadvantage of large expenditures and risks involved is a question that time alone can answer.

POR T OF LA GUAIRA

Formerly considered one of the most dangerous harbors on the Caribbean coast, La Guaira is to-day Venezuela's leading port and the recipient of a large volume of commerce both from Venezuela and abroad. Its prosperity may be assigned to several causes. By reason of its proximity to Caracas, the capital and chief city of the republic, the port enjoys a great commercial advantage, as Caracas is a center of transportation activities. Again, the harbor besides being favorably located can accommodate vessels of large draft and possesses harbor and warehouse facilities of an extensive nature. Government legislation has also accomplished much to assure its preeminence as certain laws now in force operate to divert much commerce to La Guaira that would normally go to other Venezuelan ports.

The port works and equipment are owned by the La Guaira Harbor Corporation, an English company that has undertaken improvements totalling \$5,000,000 and that have changed the harbor from a natural to an artificial port. Before the improvements, the port was an open roadstead—unsheltered and very dangerous. At the present time it is protected by a stone and concrete sea wall, constructed from an average depth of 29½ feet and rising 19½ feet above water. This protection is ample and ships may move about and anchor in complete safety. The sheltered area of the harbor is 75 acres and has an average depth of from 28 to 30 feet. Entrance is made between the buoy at end of pier No. 5 and buoy No. 4 placed at a distance of 300 feet. The maximum range of tide is approximately 3 feet. Vessels of 23-foot draft can safely navigate the harbor.

Landing is made at jetties inside the breakwater and the cargo is loaded on cars and taken to warehouses. The jetties are three in number and can accommodate three large or four small steamers. These jetties are all equipped with railway facilities. Bunkerage is not available and vessels must coal from lighters or cars on wharf. The port can supply only a limited amount of coal, mostly Cardiff brikettes. Fuel oil can not be obtained, but is available in large quantities at Curaçao, 60 miles distant.

The population of the port is estimated at 26,000. The climate is very hot with an average temperature of 84°. The prevailing winds are northeast by southwest.

Though but 8 miles from Caracas, 24 miles of winding railroad through the mountains are necessary to connect the port with the capital. The line is owned by an English company, has a gradient of 4% and is of 3-foot gauge. From Caracas the Great Railroad of Venezuela operates a road to the city of Valencia which in turn is connected by a third line to Puerto Cabello.

The principal exports of the port are coffee, cacao and hides which are sent principally to the United States, with which commerce is greatly increasing. Much cacao of the better grade is exported to France.

The imports are textiles, chemicals, machinery, hardware, paper products, drugs and medicines, of which 75% come from the United States. Large return cargoes are difficult to get and at times absolutely unobtainable.

The following statistics may serve to show the volume of commerce of the port:

MOVEMENT OF CARGO FROM THE PORT OF LA GUAIRA

	1918 Metric Tons	1919 Metric Tons	Increase (M. T.)
Foreign imports.....	25,384	38,843	13,459
Foreign exports.....	26,186	30,632	4,445
Coastwise trade.....	55,446	64,195	8,748
Total movement.....	107,017	133,671	26,654

MOVEMENT OF PASSENGERS FROM LA GUAIRA

Year	
1915.....	8,216
1916.....	8,707
1917.....	9,976
1918.....	9,897
1919.....	15,974

MOVEMENT OF CARGO FROM PORT OF LA GUAIRA BY YEAR SINCE 1905

<i>Year</i>		<i>Year</i>	
1905.....	92,489	1913.....	116,116
1906.....	89,299	1914.....	110,498
1907.....	93,548	1915.....	104,583
1908.....	63,012	1916.....	113,351
1909.....	74,414	1917.....	123,963
1910.....	81,525	1918.....	107,017
1911.....	91,996	1919.....	133,671
1912.....	105,844		

PILOTAGE AND TOWAGE

Pilotage is not compulsory and is little used as entrance to the harbor is easily made. When signalled for, the pilot boards the vessel about 2 miles off shore and proceeds to the port. Towage is very seldom used, the only tug available being owned by the harbor corporation. The charge for towage is \$50 for a distance of from 4 to 6 miles off shore.

Mooring and shifts within the harbor are made from swinging buoys and with the vessel's own equipment of capstan and winches. A mooring charge of \$0.0286 per net ton register is collected by the harbor corporation both on steamers and sailing vessels.

LIGHTERAGE AND CARTAGE

The port is equipped with six lighters of 30 ton capacity, all of which are owned by the corporation. They are principally used when the mole is overcrowded and for the handling of large packages. Vessels carrying explosives or other dangerous cargo must anchor just inside the breakwater and discharge their goods into lighters.

Cartage for local delivery is accomplished by means of small two-wheeled carts; most of the cargo, however, is handled by the railroad with which the jetties are all connected.

STEVEDORING

Harbor conditions, on the whole, are satisfactory. When experienced, the help is skillful and efficient but unfortunately is hard to obtain. The employees have no union and are for the most part mulattoes. The regular hours of work are from

7 A. M. to 4:30 P. M., while overtime (daylight) is from 4:30 P. M. to 6:30 P. M.

The cost of discharging cargo is 60c. per hour during the regular hours. For overtime in daylight the rate is increased 40c. and in night time 60c. Talley clerks receive \$3.00 per day with 40% increase for overtime in daylight and double time after 9:00 P. M.

The time rate for handling cargo is about 20 metric tons per hour by gang of 20 men. The discharging rate varies according to the nature of the cargo as it can not be placed on the wharf faster than the employees of the Customs House can check it.

POR T CHARGES

Of first importance are the charges collected by the government, which include the following: An export tax on coffee, cacao, etc., which is paid by the exporter, the vessel not being charged; a tax by the captain of the port to the value of \$2.41; interpreter's service, which, however, is not compulsory, \$6.18; port doctor fee \$9.65 for steamers and \$4.83 for sailing vessels; pilotage, if taken, for steamers \$16.21, sailing vessels \$11.58; government stamps, \$1.93.

Vessels are boarded by the port doctor and a bill of health is required from the Venezuelan Consul at the last port, also lists of passengers and crew.

The port possesses an under-equipped hospital and a fee of \$3.86 is collected by the hospital association from each large vessel entering or leaving the harbor. If proceeding to another domestic port a bill of health is required and a charge of \$2.35 is made by the government.

The municipality collects a water charge of \$46.32 whether water is taken on or not. If additional water is desired, a further charge of 77c. a ton is made. Other charges are made by the Harbor Corporation including \$0.0386 per net ton register for mooring and a similar sum for each metric ton loaded or discharged during regular hours.

WHARVES AND WAREHOUSES

The breakwater pier is equipped with 3 jetties of concrete construction, with a vessel clearance of 2,000 feet. The length of jetty No. 1 is 70 meters, while that of No. 2 and No. 3 com-

bined is 215 meters. Their width is 15 meters and the depth of water at low tide is 30 feet. The jetties have a capacity of 6,000 tons of general cargo.

The pier is equipped with ten revolving steam cranes, the largest of which is of 12 ton capacity with boom radius of 60 feet at an angle of 45°. The remaining cranes are of 5 and 3 ton capacity respectively.

The port has four warehouses with a total floor space of 5,134 square meters. All are in charge of the government and are in good condition. Strict regulations are in force and the Custom House processes are of a character to discourage commerce.

The national tariff is highly protective, the government receiving a large percentage of its revenues from this source. Few goods are admitted free and those likely to compete with home industry are severely taxed.

DOCUMENTS

Necessary for port doctor:

- Bill of health.
- List of crew (register).
- List of passengers.

Necessary for customs authorities:

- Ship's register (sometimes demanded).
- Consular dispatch from Venezuelan Consul, consisting of one sealed package with general manifest of cargo, consular invoices, bills of lading, etc.

Two copies of crew list.

Two copies of the passenger list.

Two copies of the list of provisions and stores.

Two copies of the "Sobordo" in hand.

Two copies of the B/L sealed by Venezuelan Consul in the last port.

Necessary for agency:

Vessels bringing cargo from United States ports:

- 1 copy of manifest
- 1 set of ship's export declarations.
- 1 set ship's papers (from American vessels).

OCEAN, CABLE AND RADIO COMMUNICATION WITH VENEZUELA

Venezuela, northernmost of the South American republics, comprises an area of 393,976 square miles, including vast mineral resources and land well suited for agricultural pursuits and cattle raising. Among the principal agricultural products which Venezuela raises in sufficient quantity for export to other parts of the world are coffee, cocoa, sugar, tobacco and rubber. Other exports are gold, hides and skins. Among the principal imports we find cotton goods, wheat flour, and, in short, all manufactured articles used in the tropics except shoes, laundry soap, candles, matches, salt, ready-made clothing and similar articles upon which tariff rates are prohibitive.¹

It is within my province here to discuss communication facilities between Venezuela and other countries, both in regard to steamship facilities, and cable and wireless communication, for the purpose of determining whether or not the existing lines of communication are best suited to promote commerce between Venezuela and the countries to which and from which she exports and imports products.

The first point to be considered is that of shipping communications, since it is in ships that foreign commerce must be carried. In the following pages we shall briefly discuss Venezuelan ports, volume of shipping entering and leaving these ports and the countries and lines owning and operating these ships.

The principal Venezuelan ports in order of their importance are La Guaira, Maracaibo, Puerto Cabello and Ciudad Bolívar.²

La Guaira, due to its geographical position as the port nearest the United States and Europe (2,000 miles from New York and New Orleans), together with the fact that it is near Caracas, the capital and commercial centre of Venezuela, is the most important port in that country. It is therefore a port of egress and entry for Caracas and central Venezuela. Besides being the capital and largest city, Caracas is, to a peculiar

¹United States Commerce Reports (No. 48-A), 1920.

²Reports of Trade Commissioner Bell, Commerce Dept.

degree, the centre of the commercial and industrial, as well as the political life of Venezuela. Practically every company engaged in any sort of business maintains an office in Caracas, which accounts in part for the importance of the nearby port of La Guaira.

Due to the importance of coffee and sugar growing in the district around *Maracaibo*, this port is the second in importance in Venezuela.¹ It is situated at the entrance of a great lake which opens the way to a territory rich in coffee and sugar plantations as well as in coal mines and petroleum fields. Its only disadvantage is the fact that a shallow channel which must be dredged continually prohibits the entrance of vessels of large tonnage at many periods of the year.

The next port in importance, that of *Puerto Cabello*, is the inlet and outlet for a district containing three of Venezuela's largest cities, Valencia, Barquisimeto and Coro. This region is preeminently agricultural in its activities and its prosperity is largely dependent on its export trade in coffee, cacao, hides, skins, copper ore and frozen meat.

Ciudad Bolívar,² fourth in importance of the ports of Venezuela, is situated on the Orinoco River, about two hundred miles above its mouth. In every respect its commerce is very different from that of the rest of Venezuela, depending not upon the products of manufacturing or agriculture, but upon wild products of the forests; upon gold mined and washed in Venezuelan Guiana, and upon hides which are rafted down the Orinoco and its tributaries from southern Venezuela and eastern Colombia.

In order to give a clear idea of the ships and tonnage entering and leaving the various Venezuelan ports, as well as their nationalities, I have compiled statistics from the official figures given by the Minister of Hacienda for the year 1918, the last year for which figures could be obtained. A study of these figures shows the relative importance of the ports of the country as well as the volume of commerce with foreign nations.³

¹Consular reports from La Guaira and Maracaibo.

²Consular reports from Puerto Cabello and Ciudad Bolívar.

³United States of Venezuela: Ministerio de Hacienda; "Estadística Mercantil y Marítima."

SUMMARY

Number of Ships Entering Each Port, January—June, 1918

PORTS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
La Guaira.....	52	18	102,762	962	70	103,724
Maracaibo.....	12	39	9,522	4,380	51	13,902
Puerto Cabello.....	33	24	107,041	1,563	57	108,604
Ciudad Bolívar.....	14	1	3,118	9	15	3,127
Carúpano.....	14	14	17,145	184	28	17,329
Puerto Sucre.....	5	33	2,474	285	38	2,759
La Vela.....	....	33	.....	1,797	33	1,797
Cristobal Colón....	13	36	13,250	1,307	49	14,557
Pampator.....	2	44	511	630	46	1,141
Total.....	145	242	225,823	11,117	387	266,940

Nationalities of Ships Entering These Ports, January—June, 1918.

FLAGS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
American.....	51	10	77,183	2,094	61	79,277
Colombian.....	....	6	.....	303	6	303
Spanish.....	7	....	26,439	.....	7	26,439
French.....	6	....	14,771	.....	6	14,771
Dutch.....	3	33	7,251	2,913	36	10,164
English.....	37	7	90,678	272	44	90,950
Italian.....	3	....	16,962	.....	3	16,962
Norwegian.....	11	....	13,505	.....	11	13,505
Venezuelan.....	27	186	9,034	5,535	213	14,569
Total.....	145	242	255,823	11,117	387	266,940

Number of Ships Entering Venezuelan Ports June—December, 1918.

PORTS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
La Guaira.....	72	53	112,498	4,835	125	117,333
Maracaibo.....	28	19	14,968	1,480	47	16,448
Puerto Cabello.....	27	25	111,369	915	52	112,284
Ciudad Bolívar.....	14	1	3,118	8	15	3,126
Carúpano.....	6	12	1,381	186	18	1,567
Puerto Sucre.....	....	15	.....	225	15	225
La Vela.....	....	16	.....	735	16	735
Cristobal Colon....	12	34	7,720	1,148	46	8,868
Pampator.....	....	43	.....	762	43	762
Total.....	159	218	251,054	10,294	377	261,348

Nationalities of Ships Entering Venezuelan Ports, June—December, 1918.

FLAGS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
American.....	68	1	77,359	74	69	77,433
Spanish.....	13	....	50,041	....	13	50,041
French.....	14	2	3,011	3,060	16	6,071
Dutch.....	3	28	1,914	1,693	31	3,607
English.....	27	4	73,319	81	31	73,400
Italian.....	6	....	33,924	....	6	33,924
Norwegian.....	4	....	6,184	....	4	6,184
Venezuelan.....	24	183	5,302	5,386	207	10,688
Total.....	159	218	251,054	10,294	377	261,348

Number of Ships Sailing From Each Port, January—June, 1918.

PORTS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
La Guaira.....	49	53	79,593	3,936	102	83,529
Maracaibo.....	69	121	29,560	11,987	190	41,547
Puerto Cabello.....	33	108	86,306	5,275	141	91,581
Tucacas.....	4	5	4,065	557	9	4,622
Ciudad Bolívar.....	14	1	3,512	9	15	2,521
San Felix.....	3	....	942	....	3	942
Barrancas.....	9	1	3,494	6	10	3,500
Carupano.....	17	29	17,304	614	46	17,912
Rio Carila.....	15	2	1,096	16	17	1,112
Puerto Sucre.....	2	45	118	882	47	1,000
Guanta.....	13	9	5,515	511	22	6,026
La Vela.....	....	91	....	6,954	91	6,954
Cristobal Colon.....	6	361	10,200	5,421	367	15,621
Pampatar.....	3	104	139	2,687	107	2,826
Total.....	237	930	241,844	38,855	1,167	280,699

Nationalities of Ships Sailing from Venezuelan Ports.

FLAGS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
American.....	63	18	82,332	5,857	81	88,189
Colombian.....	....	4	....	257	4	257
Spanish.....	6	....	24,141	....	6	24,141
French.....	4	2	14,331	134	6	14,465
Dutch.....	23	131	17,445	11,019	154	28,464
English.....	56	8	48,391	407	64	48,798
Italian.....	3	....	15,441	....	3	15,441
Norwegian.....	15	....	19,038	....	15	19,038
Venezuelan.....	67	767	20,725	21,181	834	41,906
Total.....	237	930	241,844	38,855	1,167	280,699

Number of Ships Sailing from Each Port, July—December, 1918.

PORTS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
La Guaira.....	45	48	93,167	3,449	93	96,616
Maracaibo.....	63	121	28,565	8,280	184	36,845
Puerto Cabello.....	34	135	105,769	2,521	169	108,290
Tucasas.....	1	9	1,021	746	10	1,767
Ciudad Bolívar.....	23	1	6,809	9	24	6,818
Barancas.....	2	17	481	249	19	730
Carupano.....	14	23	6,626	578	37	7,204
Rio Cariba.....	4	6	280	107	10	387
Puerto Sucre.....	1	24	30	911	25	941
Guanta.....	6	12	2,080	845	18	2,925
La Vela.....	68	.....	.....	3,903	68	3,903
Cristobal Colon.....	8	367	7,974	5,939	375	13,913
Pampator.....	4	137	111	4,445	141	4,556
Total.....	205	968	252,913	31,982	1,173	284,895

Nationalities of Ships Sailing from Venezuelan Ports.

FLAGS	SHIPS		TONNAGE		TOTAL	
	Steam	Sail	Steam	Sail	Ships	Tonnage
American.....	60	7	81,078	1,659	67	82,737
Spanish.....	15	.....	57,788	.....	15	57,788
French.....	22	9	11,893	1,910	31	13,803
Dutch.....	17	106	9,404	5,859	123	15,263
English.....	44	10	53,090	696	54	53,786
Italian.....	4	.....	22,772	.....	4	22,772
Norwegian.....	7	.....	9,582	.....	7	9,582
Venezuelan.....	36	836	7,306	21,858	872	29,164
Total.....	205	968	252,913	31,982	1,173	284,895

As can readily be seen from these figures the chief commerce of Venezuela is with American and European countries. The shipping service is of two kinds—line service and tramp or charter service. The former consists of actual steamship lines under an organized company, operating on regular itineraries and on stated dates with regular rates for freight, passenger and mail service. The latter refers chiefly to sailing vessels of small tonnage, either engaged independently in trade or under charter contract with firms or individual shippers for a certain stipulated length of time, at certain rates mutually agreed upon, and for stated cargoes and voyages.

Since, in this connection, line service is of the most importance

we shall first take up the various steamship lines operating between Venezuelan ports and other ports of the world.

TRANS-ATLANTIC COMPANY OF BARCELONA

This is a Spanish line of steamships, having its home office at Barcelona, Spain. It was established January 21, 1882, and supplies a passenger, freight and mail service, making one voyage each month at intervals somewhat irregular. Its itinerary comprises the following ports:

Barcelona, Genoa, Puerto Rico, Habana, Puerto Limon, Colon, Puerto Colombia, Curacao, Puerto Cabello, La Guaira, Puerto Rico, Barcelona.

The vessels in service are the Montevideo, Buenos Aires, Lyaysi, Montserrat, Antonio Lopez, Manuel Calvo, Satrustyui.

Because of the length of time taken in transit this line does a greater freight than passenger business. Its rates are governed by those of other European steamship companies, since they are united under a gigantic ocean-carriers' agreement, which will be discussed later.

COMPAGNIE GENERAL TRANS-ATLANTIQUE

This is a French line, established June 27, 1872, with its home office in Paris. It supplies a monthly service for passengers, freight and mail. Its itinerary formerly was:

Nazaire, Point a Pitre, La Guaira, Puerto Colombia, Cartagena, Colon, Puerto Colombia, Puerto Cabello, Port de France, St. Nazaire and Bordeaux.

(N. B.—According to information recently received, this line now also calls at Havre.)

The vessels in service are the Perón, Puerto Río, and Haiti. The service is not as regular as could be desired and rates are governed by the same conditions which apply to the Spanish company previously mentioned.

ROYAL DUTCH WEST INDIA MAIL

This is a Dutch line, having its home office in Amsterdam, Holland. Its service was crippled during the war, but it was reestablished in October, 1919. It supplies a freight and passenger service every fifteen days between the following points:

Amsterdam, Holland, La Havre, La Guaira, Puerto Cabello, Curacao, Puerto Colombia, Cartagena, Puerto Limon and Cristobal.

The vessels now in service are the Stella, Crynssen, Styvessant and Orange Nassam.

HARRISON LINE

This is a British line, established in June 28, 1875, with its home office in Liverpool, England. It supplies a monthly freight and mail service between the following ports:

Liverpool, Barbadoes, Trinidad, La Guaira, Puerto Cabello, Curacao, Puerto Colombia, Cartagena, Colon, Beloge, Puerto Barrios, New Orleans, Galveston, Liverpool.

The vessels in service are the Dictator, Author, Orator, Senator and Benefactor.

LEYLAND LINE

This is a British line, operating between the same ports as the Harrison Line, and also has its home office in Liverpool. It supplies a semi-monthly freight and mail service between these ports. The vessels now in service are the Antillian, Alexandrian, Median, Nortonian, Nobian Asian and Nossian. These two British lines are most important as freight and mail carriers, the passengers carried being relatively small in number.

LA VELOCE LINE

This is an Italian line having its home office in Genoa, Italy. It was established in 1890 and supplies an irregular freight, passenger and mail service between the following ports:

Genoa, Marseilles, Barcelona, Teneriffe, Trinidad, La Guaira, Puerto Cabello, Caracao, Puerto Colombia, Cartagena, Port Limon, Colon and Genoa.

Its vessels in service are the Europa and Bologna.

TRANSATLANTIC ITALIAN COMPANY

This is another Italian company operating steamships between that country and the Americas. It is a new company, the service having been established August 10, 1920, with home office in Genoa, Italy. Its itinerary comprises the following ports:

Genoa, Marseilles, Barcelona, Cadiz, Teneriffe, Trinidad, La Guaira, Puerto Cabello, Curacao, Puerto Colombia, Cristobal, Balboa, Guayaquil, Callao, Mollendo, Arica, Casigua, Aristo, Fagasta, Valparaiso and Genoa.

This line is equipped with three 12,000 ton motor vessels of recent design; the San Georgio I, San Georgio II, and San Georgio III, and supplies a passenger and freight service.

These ships carry merchandise and raw material from La Guaira and Puerto Cabello to less accessible ports like Ciudad Bolívar, and from the latter port to the northern coast this company is rapidly increasing the number and tonnage of its vessels and undoubtedly will be an important factor in the commercial progress of Venezuela in the years to come.

In referring to the great European steamship lines which touch Venezuelan ports I mentioned the fact that a combination to control freight rates existed. This is simply an agreement by which these companies agree on maximum and minimum rates to be charged on certain classes of goods. Undoubtedly such pooling has its disadvantages, since it tends to keep competition out of the field.

We come now to a consideration of the one American line operating between New York and La Guaira, *i. e.*, the "Red D Line" of steamships. I have purposely saved this for the last since, in considering this subject from an American viewpoint, it is naturally the most important. This line carries the mail, passenger and freight from American ports to those of Venezuela, and is responsible to a great extent for the proper delivery of merchandise sold to Venezuelan companies by American firms.

The Red D Line has its home office in New York City, with branch offices in Caracas, San Juan, P. R.; Curaçao, W. I.; Puerto Cabello and Maracaibo. It is under contract with the United States Government for the transportation of mail, and supplies a weekly service between New York, Porto Rico, Curaçao and Venezuela.

In regard to rates and charges, among the most important of this company's regulations are the following:

- (1) Rates are assessed per cubic foot, or 100 pounds ship's option, except as otherwise provided.
- (2) Packages containing different articles will be charged the tariff rate for the highest class article contained therein.
- (3) Packages of more than \$100.00 in value must be noted on ships receipts when such goods are offered at the pier. Charges on packages of this kind will be in addition to tariff $\frac{3}{4}$ of 1% on all values over \$100.00 per package. This company will not be liable in the event of loss or damage from any cause whatever as detailed in bills of lading, for more than \$100.00 per package unless such value is shown on shipping receipts and extra freight paid thereon.
- (4) Minimum charge to San Juan, P. R., \$3.00; to Curaçao, Maracaibo, Coro and Puerto Cabello, \$5.00; to La Guaira, Ven., \$5.00 plus wharf dues.
- (5) Heavy or bulky packages by special arrangement only.
- (6) This company requires two copies of bills of lading to San Juan, P. R., and Curaçao, D. W. I., and five copies to La Guaira, Puerto Cabello, Maracaibo and Coro, Venezuela.¹

There are many additional regulations covering special cases, which it is impossible to enumerate here. For those interested I would recommend a copy of the Red D Line Freight Tariff No. 1-A, which may be secured at any of this company's offices.

The ships now in service for this line are the Caracas, 3,000 tons; Philadelphia, 2,500 tons; Merida, 630 tons, and the twin

¹Red D Line Freight Tariff No. A-1.

screw steamers Maracaibo and Zulia, 1,800 tons each. Two additional vessels for use on this line are now under construction in the States.

At the present time, however, it is to be regretted that comparatively poor and irregular service exists between the two Americas. American salesmen and business men operating in Venezuela constantly complain of delays in forwarding mail and merchandise resulting in financial loss for themselves and creating dissatisfied customers. Considering the existing monopoly in communication, it is surprising that trade between Venezuela and America has progressed to the extent that it has. Venezuela is a rich country and can supply many varieties of agricultural products to the United States; on the other hand, she must look to the United States for manufactured goods, machinery, etc., to enable her to prosper. There is a wonderful opening for American capital in the country of Simon Bolívar, but it never can be fully realized until ocean communication between the two sister republics is greatly improved.

CABLE COMMUNICATION

Cable communications with the exterior are at present monopolized by the "French Company of Telegraph and Cables," through a concession which lasts until 1929. This privilege is based on the first article of contract which governs the Company's relations with the Government of Venezuela; the privilege is exclusive and the controlling lines run from La Guaira and La Vela, ports of Venezuela, to the Dutch Island of Curaçao, thence to the Republic of Haiti, and thence to New York and France. The price per word from Venezuela to New York is five bolivares (approximately one dollar under normal exchange) but because of various tariffs assessed by the company, and extra charges in delivery, the rates usually exceed that figure. Moreover the service is poor and uncertain, interruptions are frequent and a cable can not be depended upon in matters of urgent importance. The company has not improved its service and methods to meet the growing needs of an expanding business. Something must be done to solve this difficulty of cable communication before the potentialities of Pan-American trade can ever be realized. But it can not be solved without the abolition or modification of the present monopoly.

WIRELESS COMMUNICATION

Closely linked with the question of cable communication is the problem of establishing wireless communication with foreign countries. In this connection the recent severance of relations with Germany resulting in a scarcity of materials and high prices greatly retarded the installation of an improved wireless system with the outside world. But on October 15, 1919, the government of the Republic of Venezuela decided to call for bids for the construction of a wireless telegraph station in the neighborhood of Caracas, the capital of the Republic.

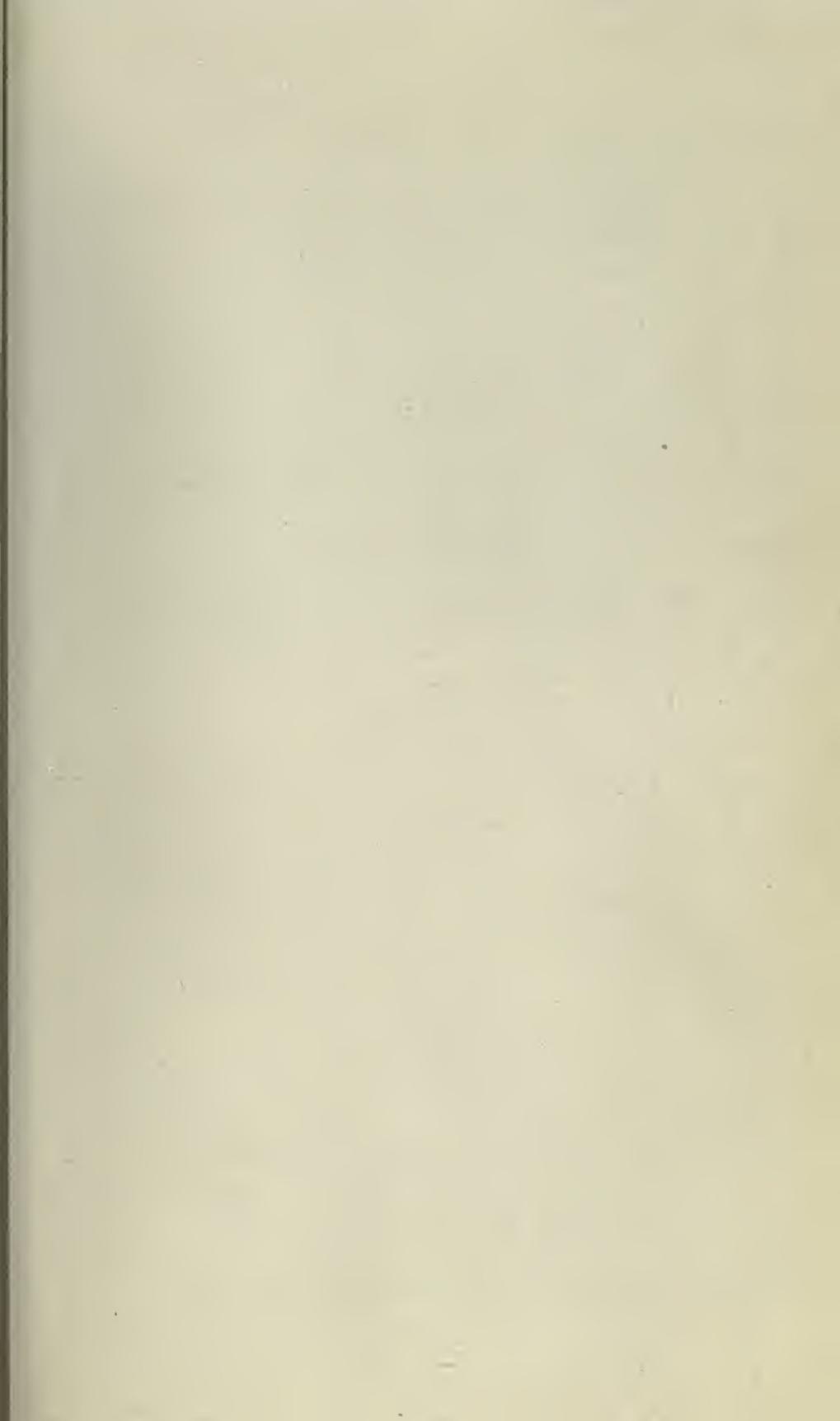
The geographical situation of Caracas is as follows: Latitude North $10^{\circ} - 30' - 24''$. Longitude $4^{\circ} - 25' - 4''$ West of the Meridian of Greenwich. Its altitude above the sea level is 922 meters and its distance from the Caribbean Sea 10 kilometers. Caracas is separated from the coast by a branch of the Andes Mountains which, in that part nearest to the city, are 1,800 meters above sea level.

The technical conditions of the plant are:

- (1) The station must be of sufficient capacity to communicate with similar stations in Europe and the United States of America.
- (2) The station shall contain a plant for the emission of loud voices and another plant for the emission of subdued voices intended for communicating with wireless stations not yet equipped with the system of loud waves.
- (3) The necessary electric power will be furnished by a private concern in the shape of 190 volt, 50 cycle, 3 phase, alternating current as used in Caracas.
- (4) Furthermore, the installation shall include a set of reserve motors.

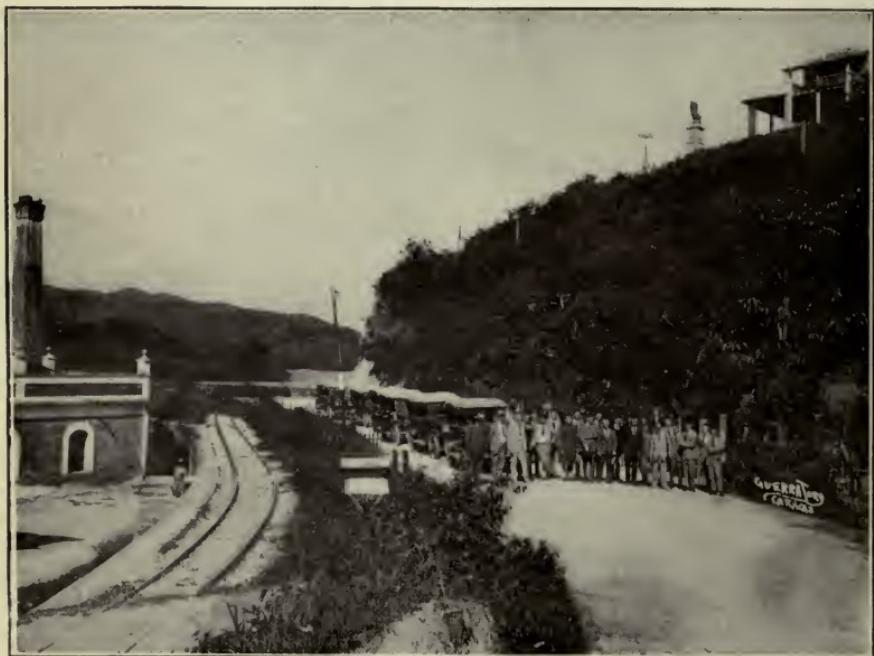
The bids must contain:

- (1) The general plan of the plant and the necessary detailed plans and cuts drawn on a convenient scale.
- (2) A general description of the apparatus.
- (3) The time necessary for its construction.
- (4) Total cost of the station. The amount will be paid in Caracas in quarterly installments, cash, at the end of each quarter, in accordance with the progress of the work. The government will retain 10% of the amounts of each payment, which sum will be paid to the contractor after compliance with the provisions of the next article.
- (5) The assumption of an obligation by the bidder to manage the station during six months after its completion as a proof of delivery in good working order. After this has been proved, the aforesaid 10% of the cost of the work will be paid to the contractor.





BOLÍVAR'S HOME IN THE MOUNTAINS WITH STATUE OF THE HERO,
CAPTAIN RICAURTE



ON THE ROAD FROM MARACAY TO CARACAS

The bids must be sent to the Minister of Fomento of Venezuela before the last day of June, 1920. On the last day of August, 1920, in a Cabinet Meeting, the bid which in the opinion of the Federal Executive offers the greatest advantage will be accepted, while the Government reserves the right to reject all bids if it is deemed convenient.

Any responsible construction concern—national or foreign—specializing in this work may send in a bid.

The importance of this proposed wireless station is very evident to those interested in Venezuela, and its prosperity. By establishing direct and efficient communication between this country and America and Europe, it will open the way to vast trade possibilities.

Having thus discussed the three methods of communication which are of paramount importance in foreign trade, we can not but realize that Venezuela has been working under a serious handicap. However, she has made great progress in the last decade and it is to be hoped that under a wise government she will continue her sound trade policies and before many years will take her proper place among the leading commercial nations of the world.

Philip D. Sullivan.

TRANSPORTATION FACILITIES

Pronounced improvements in the political, economic and social life of the Republic of Venezuela have been effected within the last few years by the construction, upon a broad and comprehensive scale, of a system of national highways totalling, in extent of completed roads, 2,900 kilometers (approximately 1,800 miles). These have been specifically designed to bear the burden of motor transportation both of passengers and freight, as well as of all classes of vehicular and equestrian traffic. Built primarily with a military objective, these roads already have come to serve the routine needs of peace, while being at all times available for the exigencies of war. They provide a means for the quick mobilization of the Venezuelan army of 50,000 men at any of the principal strategic points of the country. Infantry, cavalry or artillery may with equal facility and despatch pass over any of these roads to a given rendezvous. The broad,

smooth highways compass distances, grades and defiles that hitherto presented almost impassable barriers to the quick and flexible movement of military forces.

If heretofore the army suffered from a lack of adequate transportation facilities, the commerce of Venezuela too was woefully handicapped. One of the greatest and most coveted of Venezuela's assets is her magnificent coastline of hundreds of miles on the Caribbean Sea. To realize the serious difficulties under which her rich interior labored in seeking an egress to foreign markets, it need only be noted that until the completion, during the last decade, of the highway system with its three separate routes from three chief ports of the republic to the capital and interior centers of industry, the country had the use of only two railway lines. These lines were well constructed, it is true, but offered an indifferent service at a prohibitive tariff with amazingly excessive wharf and terminal charges. The only available alternative to these consisted of old Spanish trails up and down the mountain sides where the necessity of walking in single file hazarded the necks of man and beast.

With respect to the technique of construction and maintenance of the highways of the new system, local considerations and the requirements of the major volume of traffic normally moving into or out of a given section have been carefully taken into account. On the level stretches of the extensive llanos in the interior, advantage has been taken of natural dirt bases for roads that have come to sustain the burden of the enormous production of cattle, grain, corn, coffee, cotton and sugar sent forth from those fertile plains. On the precipitous mountain slopes of the massive watershed that divides the highland llanos from the sea, macadam has been the principal material used; this has been true also in other mountain districts of the Republic. In general, American and English principles of road-bed construction have been employed and great numbers of steel bridges and not a few suspension bridges have been designed, imported and set up by leading American bridge-building corporations.

The improved route from Caracas to Guatire has made the latter accessible at all times to the capital. The route from Caracas to Barquisimeto supplies a direct road from the capital to the center of the Venezuelan Andes, while the one from

Maracay to Ocumare de la Costa leads directly to the sea at the point of juncture of the two greatest highways, opening the way to the agricultural and cattle raising industries of the central region of the Republic.

The Great Eastern Highway leads from Caracas through the states of Miranda, Auzoategui and Bolivar to the mineral region of interior Guayana. The Great Western Highway connects the center of the Republic with the remotest western regions, leading from Caracas to Valencia, San Carlos, Guanare, San Antonio de Caparo and San Cristobal. It crosses the most densely populated part of Venezuela and promises to be, in the near future, the principal artery of communication. Telegraphic connection is constantly maintained between the road engineers and the minister of public works. The highway from Turmero to Calabozo is likely to become the bond of union between the great eastern and western highways. It has maintained traffic for the first time in the llanos during the rainy season, thus furnishing a constant outlet for the wonderful productivity of this region. Steam rollers and other standard mechanical apparatus have been employed in the construction work, while recently the authorities have commenced to use the superficial petrolization process for laying the dust and counteracting the impairment of the roadbed by the rapidly increasing automobile traffic.

The equipment of the highways has brought to the fore another characteristic and interesting Venezuelan institution—the road workmen—who fulfill a dual function in the task they assume when a road or section is completed: that of attending to, or assisting in, its upkeep or repair, guarding against violation of the regulations laid down for its use by the public, and otherwise policing a stretch that is three kilometers upon macadam roads and two kilometers upon natural dirt roads. The “peones camineros” represent but another and latter-day application to public service of the marvelously faithful, intelligent and efficient common labor of the country.

The mileage mentioned above is practically for motor vehicles and is constantly used by the 2,000 passenger cars in active service. Had the new road system been inspired and carried into execution by American builders for the advancement of their own people’s interests, they could scarcely have served

more thoroughly the purpose of American commerce. From the outset, these roads have operated to strengthen this country's position as a producer and exporter of automobiles. Thus a vital public improvement, undertaken by the Venezuelan Government, operated primarily to establish an altogether new market for one of the chief industrial products of the United States. Yet despite the fact that the capital of Venezuela, Caracas, has a population of 100,000 and boasts of having 1,000 automobiles or one car for every hundred citizens, relatively few motor-trucks are to be seen there or, in fact, elsewhere in Venezuela.

Nevertheless, it requires neither seer nor prophet to foresee practically unlimited opportunities throughout the land of Bolívar for every kind and class of American manufactures, from agricultural, mining and factory machinery to the smallest articles of merchandise; and this as the direct result of the building and extension of the Venezuelan highway system. For transporting these manufactures from ship's side to interior communities—some of them Spanish colonial settlements that have flourished for almost four hundred years but which until now have not known American importations—there is only one logical and available instrument,—the American motor-truck.

RAILROADS

The standard gauge of the United States and Canada, 1.435 meters between rails, was adopted by the National Congress of 1912, an act necessary for any great capacity of railroad transportation as well as the assurance of an immediate and adequate supply of materials.

Laws were promulgated June 12, 1917, and June 4, 1918, for the concession, construction and operation of railroads by domestic and foreign companies or individuals, containing the following provisions:

1. That all enterprises be approved by the National Congress; that all controversies be settled in Venezuelan courts; that one-half of the employees be from Venezuela, and that no interest be guaranteed by the government on capital invested.

2. That complete plans of any railroad project be submitted to the minister of public works prior to beginning

operations, and that deposits of money be placed in the national treasury as a guarantee of integrity.

3. That regulations and standard measurements be carefully observed; also provisions for roadbeds, crossings, etc.

4. That the right be reserved to the National Government to take over railroads after forty years of service, if desired.

5. That rival lines in close proximity to those already constructed be prohibited, and that branches or prolongations of existing lines be permitted in accordance with regulations.

6. That rates fixed by owners be approved by the public ministry; that mails be carried free, and that reductions be allowed to government employees; and materials destined for the improvement of public works shall be transported at reduced rates.

7. **PRIVILEGES:** that no oppressive taxes be levied on railroads; that a fair proportion of unclaimed lands be conceded to railways; that free transportation be allowed railway construction material; that railways be permitted to erect telegraph and telephone lines provided the government be granted gratuitous use of them; and that the employees be free from military service, except in case of international war.

There are twelve railroad systems in Venezuela at the present time with a combined length of 600 miles and 40 millions of dollars invested capital.

1. **The Bolivar Railroad Company** owned and financed by the English with a working capital of \$5,914,075 was the first railroad of Venezuela. The road is 88½ kilometers long, the gauge 0.61 meters. It has 165 bridges and 20 stations; the route is from Tucacas to Aroa. The number of passengers carried in 1919 was 24,408, and during the same period freight amounted to 38,820 tons.

2. **The La Guaira-Caracas Railroad** is over 23 miles in length and carries the greatest part of the products of the country; it serves more than half of the central part of the republic. This railroad is the most important railroad in Venezuela, because it has direct connection with the Valencia and Puerto Cabello Railroad and the railroad going to Ocumare de la Costa. The length is 35.5 kilometers, the gauge 0.915 meters. There are 10 bridges, 8 tunnels and 9 stations and the route is from La Guaira to Caracas. It is owned by the English with a capital of \$4,175,000. The number of passengers carried in 1919 was 73,305 and freight amounted to 76,335 tons.

3. **The Valencia-Puerto Cabello Railroad Company** is the second most important railway in Venezuela and performs the same service as the La Guaira to Caracas Railroad. It is owned and financed by the English

with a working capital of \$4,141,000. It has a length of 54 kilometers, the gauge is 1.07 meters and there are 23 bridges, 1 tunnel and 6 stations along the route from Valencia to Puerto Cabello. The number of passengers carried in 1919 was 53,990 and freight amounted to 55,121 tons.

4. **The Grand Railroad of Venezuela** is owned and financed by Germans with a working capital of \$15,000,000. The length is 179 kilometers, the gauge 1.07 meters, there are 212 bridges, 86 tunnels and 25 stations. The route is from Caracas to Valencia. The number of passengers carried in 1919 was 211,442 and freight amounted to 76,335 tons. The rolling stock of this road consists of 18 locomotives, with a combined weight of 720 tons, 30 passenger coaches, 68 flat cars, 60 box cars and 19 stock cars. The passenger tariff equals $6\frac{1}{4}$ cents per mile for second class and 7.78 cents for first class. Freight rates are equivalent to 15.65 cents per ton mile. The freight traffic is small and nearly half the revenue is from passengers carried. The management attempted some development work in tree planting, the introduction of new crops, and the improvement of stock, but the grasshopper plague affected the results.

5. **The Guanta-Barcelona Railroad** is owned and financed by a Venezuelan company with a working capital of \$300,000. This road is 18.5 kilometers long, the gauge 1.07 meters; there are 4 bridges and 6 stations. The route is from Guanta to Barcelona. The number of passengers carried in 1919 was 13,553 and freight amounted to 28,863 tons.

6. **The Railroad of Carenero** is owned and financed by the French with a working capital of \$1,576,800. It is 33 kilometers long, the gauge 0.915 meters; there are 57 bridges and 5 stations; the route is from Carenero to San José. The number of passengers carried in 1919 was 20,037 and freight amounted to 6,923 tons.

7. **The Maiquetia-Macuto Railroad** is owned and financed by the English with a working capital of \$100,000. The length is 7 kilometers, the gauge 0.915 meters; there are 8 bridges and 4 stations. The route is from Maiquetia to Macuto. The number of passengers carried in 1919 was 430,668 and freight amounted to 2,563 tons.

8. **The Central Railroad of Venezuela** is owned and financed by the English with a working capital of \$3,484,500. The length is 60 kilometers, the gauge 1.07 meters; there are 23 bridges, 14 tunnels and 7 stations; the route is from Caracas to the station Tereza. The number of passengers carried in 1919 was 326,945 and freight amounted to 22,971 tons.

9. **The La Ceiba Railroad** is owned and financed by a Venezuelan Company with a working capital of \$1,600,000. The length is 81.5 kilometers, the gauge 0.915 meters; there are 43 bridges and 5 stations; the route is from La Ceiba to Roncayolo. The number of passengers carried in 1919 was 9,649 and freight amounted to 21,706 tons.

10. **The La Vela-Coro Railroad** is owned and financed by the Venezuelan Government with a capital of \$208,000. The length is 13.5 kilometers, the gauge 0.915 meters; there are 8 bridges and 3 stations; the route is from La Vela to Coro. The number of passengers carried in 1919 was 6,681 and freight amounted to 10,828 tons.

11. **The Grand Railroad of the Tachira** is owned and financed by a

Venezuelan Company with a capital of \$1,500,000. The length is 115 kilometers, the gauge 1.07 meters; there are 3 bridges and 13 stations; the route is from Uraca to Tachira. The number of passengers carried in 1919 was 19,070 and freight amounted to 19,562 tons.

12. **The Santa Barbara-El Vigia Railroad** is owned and financed by the Venezuelan Government with a working capital of \$600,000. The length is 60 kilometers, the gauge 1.07; there are 37 bridges and 3 stations; the route is from Sta. Barbara to El Vigia. The number of passengers carried in 1919 was 11,940 and freight amounted to 17,821 tons.

On several of the main roads traffic is lighter now than twenty-five years ago, and notwithstanding the fact that rail transportation costs no more than that by pack mule, scarcely any of the railway enterprises have earned a fair return upon the capital invested, though certainly transportation has been quickened and rates have been steadied, if not cheapened. The principal reasons for this lack of earning power lie in the sparseness of the population, and its distribution along a long narrow strip of territory skirting the seaboard, a condition which leads to the building of unconnected lines with short hauls. Contributory reasons are the moderate producing and consuming power of the people, and the general refusal of the lines to grant low rates for the transportation of commodities of small value.

The waterways of Venezuela, numerous and general as they appear on the map, are singularly disappointing on closer investigation. The great Orinoco is a fine natural highway, it is true, as far as Pericos, some 600 miles from the mouth, but here the river is broken by the rapids of Atures, and beyond by those of Maipures, hence it is impossible for large boats to pass through to the upper river. The Apure, Arauca, and Meta are, of course, useful means of communication with the Colombian border regions and the southwestern llanos, but the numerous tributaries on the north side are generally too variable in depth for permanent traffic, and those on the south, as we have seen, are broken up by rapids for practically their whole length.

On the other hand, if we take the positive value of the river highways, rather than their actual extent, we shall see that they are of considerable importance; the rivers of Guayana and of the eastern llanos may be of little use for large boats, but the Orinoco forms a great, central artery, from which roads, and perhaps eventually railways, can diverge to the limits of the basin. Some of the llano tributaries, too, are navigable for

steamers, and thus the State of Apure is now kept in communication with the outside world. Then, too, there is the great advantage accruing to the State of Zulia from its central lake, with its many tributary navigable rivers, along which large boats can travel throughout the greater part of the State and on to the boundaries of those of the Andes, as well as into the neighboring republic of Colombia. Along most of these natural and easily utilized lines of communication there are already services of steamers, nothing very advanced, it is true, but still a beginning.

The most important of the accessible regions of the country are the great plains stretching from east to west of the Orinoco and Apure rivers, well suited to cattle raising, the rich alluvial region east of Lake Maracaibo and the rich agricultural region around Lake Valencia.

Although these vast plains are open ranges covered with natural grasses for cattle feeding, conditions, in general, are not those prevailing in the Argentine Republic. The climate is much more tropical; tropical diseases are prevalent, and the river valleys are subject to overflow in times of high water. The higher lands farther north along the foot hills of the coast range generally lack sufficient water during the dry season of the year, which is December to June. Much could be done to remedy this by the introduction of water through modern irrigational devices.

The future of Venezuela depends primarily on her own people, upon whom devolves the duty of developing in a conscientious and painstaking manner the many resources of their country. It is certain that in the task which lies before them they will need and obtain assistance of foreign capital and advice, and in this, if American enterprise is alive to a great opportunity, we as a nation should bear no small part.

Edward Fanning.

AGRICULTURE IN VENEZUELA

The Agricultural Zone of Venezuela covers about 300,000 square kilometers, according to recent statistics, and extends from the Atlantic Ocean to Colombia, embracing the territory between the Caribbean seacoast and the plains of the Orinoco towards the south of the country.

Venezuela has fertile soil, perfect adaptability to the growth and maturity of everything that is essential to the existence of man and beast, mild climate, with temperatures varying according to the elevation of the land and latitude, and strategic geographical position. These favorable conditions designate Venezuela as one of the most attractive and advantageous regions for agricultural pursuits. Twenty per cent of the population are engaged in agricultural work, but this proportion is far from being sufficient for an extensive development of the natural resources of this vast area. It is estimated that a population one hundred fold greater could derive a comfortable subsistence from this agricultural region. This vast area, including such a great number of square kilometers, should become one of the most prosperous, rich and accessible agricultural fields of the world following an increase in population, greater and improved transportation facilities, and with the introduction of new methods of cultivation and more general application of modern machinery.

The principal agricultural products of Venezuela are: coffee, cacao, sugar, tobacco, India-rubber, tonka-beans, cotton, corn, vanilla, wheat and kindred products.

The vegetable seeds are also numerous and consist of vetches, bean seed, peas, beans, peanuts and okra.

The vegetable plants consist of: cabbage, cauliflower, melons, asparagus, turnips, radishes, beets, egg plants, garlic, pepper, celery, carrots, cresses, onions, spinach, lettuce and artichokes.

The fruits of Venezuela, of which there are many different species, include: oranges, large sweet lemons, limes, plantains, pineapples, pomegranates, figs, grapes, strawberries, plums, breadfruit, chestnuts, mangoes, zapotes, parchas, medlars,

tamarinds, cactus fruit, mandarines, and a great variety of bananas of a very high quality. There is a vast region available for the raising of bananas, but, up to the present no use has been made of it and there is a very small amount of capital invested in the production of this fruit (\$100,000 in American gold).

COFFEE

The cultivation of coffee in Venezuela began in 1784. At the present time, it is estimated by experts that there are about 260 million coffee trees under cultivation, which place Venezuela second among the coffee growing countries, according to recent statistics.

Coffee is produced in the temperate climate regions of the Republic from five hundred to two thousand meters above sea level. It is estimated that coffee trees last from forty to fifty years, yielding an average crop of one-eighth of a kilogram of coffee beans per tree. Sixteen million dollars are invested in coffee trees in Venezuela at the present time.

CACAO.

Venezuela possesses one of the choicest cacao zones of the world. The natural cacao (*Theobroma edenda*,—edible food of the Gods) is a seed from a tree indigenous to the soil of Venezuela. From this seed the chocolate of commerce is made. As the cacao tree requires for full development and good crops a temperature of 80 degrees Fahrenheit, and a moist air, therefore the Venezuelan lands along the coast of the Caribbean Sea, sloping from the mountain tops to the shore, and which are bedewed by the exhalation of the sea and irrigated by the many rivers coursing down the valleys, are found to be well adapted in all respects to the very profitable cultivation of cacao. It is, however, also found and cultivated in other parts of Venezuela.

About two hundred trees may be planted in one hectare (about two and one-half acres) and they must be protected from the sun by shade trees until they have acquired normal size. Five years after having been planted the trees begin to bear two crops a year, ripening in June and December. The average life of a tree is about forty years. The seed is similar to a shelled almond; about sixteen of these seeds are enclosed in

an elongated pod ribbed like a musk melon. The pods are of a yellow and red color and when they become ripe turn purple. On being gathered and heaped in piles on the ground, after a few days they ferment and burst; then the seeds are shelled, washed and housed.

There are two grades of cacao grown in Venezuela, namely,—the criollo, which is the native cacao, and the trinitario, which was originally imported from the Island of Trinidad. The criollo, a very high grade, grows especially well in the valleys situated near the sea, where the temperature is warm and moist.

The demand for this product in Europe before the war was considerable and large quantities were exported annually. In Spain and Italy cacao is used in the form of chocolate, whereas in France, England and the former German Empire, it is chiefly used in the manufacture of sweets and confections, but its use is becoming so varied and extensive that it will soon be a staple article of consumption as universally needed as coffee or tea. Venezuelan cacao also finds a ready market in the United States where it is known as Caracas and Maracaibo Cacao.

As the cacao-yielding region in the world is comparatively restricted, the planters of this staple need not fear the increasing competition which has been met in the cultivation of other staple products. At the present time it is estimated that \$12,-400,000 are invested in the cultivation of cacao in Venezuela.

TOBACCO

Tobacco, discovered by the Spaniards in Yucatan, was introduced from there to the West Indies and thence transplanted to Venezuela, where it is most successfully cultivated in Capadare, Yaritagua, Mérida, Cumanacoa, Guanape, Guaribe and Barinas. Excellent tobacco is grown near Cumana, that from Guacharo being considered exceptionally good. The plant thrives best in humid and fertile soil. Cultivation requires about six months in Venezuela before it is ready for the market, and while the cost of cultivation is not large, great care is required.

Some tobacco is exported from Venezuela, chiefly to Havana, where it is mixed in the manufacture of Havana cigarettes.

The different classes of tobacco grown in Venezuela are dis-

tinguished according to the regions where they are produced. These regions are

Maturin:

This grade of tobacco is produced chiefly in Venezuela and is used in the manufacture of Venezuelan cigarettes. It is one of the better known classes of tobacco entering foreign trade. This class of tobacco has:

1. Leaves which are light with relation to their bulk.
2. Medium strength, agreeable aroma.
3. It will keep in good condition for a maximum of two years but then begins to rot and completely loses its strength.

Capadare:

This class of tobacco is considered to be better than the Maturin tobacco. It maintains its strength and does not rot until three or more years after it has been gathered. It has a very agreeable taste and its weight as compared with its bulk is greater than that of the Maturin tobacco and does not burn as fast as the latter. It is classified into first and second class tobacco by the gatherers.

Salon:

On account of the very fine leaves and aroma which this tobacco possesses it is used as the outer leaf in making fine cigars. It burns well, is light in relation to its bulk and is classed by the gatherers as Cover, Inner-cover and Core tobacco.

Golfero:

This region is on the shores of the Gulf of Cariaco and has recently been planted with Havana tobacco seeds and is now producing a superior quality. It has strength, aroma of a fine quality and burns very well. It lasts about two years without rotting and on account of its steady strength and agreeable aroma, it is very much demanded by the manufacturers of cigarettes. It is divided into Principal, Half-tree and Sprouts.

Guaribe:

This tobacco is rather strong, has an agreeable taste and aroma but as a general rule does not burn well. It is used in the manufacture of cigarettes, in small proportions, in order to give strength. It is also divided into Principal, Half-tree and Sprouts.

Cocorote:

This tobacco is mostly used in the manufacture of cigarettes. It has a delicate leaf, is light in weight, has considerable strength and good taste. It is classified as Cover, Inner-cover and Core tobacco.

Guacharo:

This tobacco is produced near the Gulf of Cariaco in the vicinity of the Guacharo Caves. It has an exceptional and superior strength, a better taste and finer aroma than any other tobacco, not only of Venezuela but of any place in the world where tobacco is cultivated. There is only a small supply of this kind of tobacco because it will not grow in any other region on account of the very mature strata formation. The leaf is small and delicate; there is consequently a great demand for it from the cigar manufacturers. Cigarette manufacturers can not make use of it because the quantity produced is too small.

PRODUCTION OF TOBACCO

The annual production of the different classes of tobacco in Venezuela varies a great deal according to the conditions of the season and the demand for the product. The approximate output between the years 1914-1919 was estimated at more than 3,000 tons from the different regions. The average production above referred to is liable to increase to a considerable extent provided the demand requires it, as soil fit for tobacco cultivation is plentiful. The price of tobacco naturally varies with the supply and demand and an increase of exports of tobacco contemplated in the near future will tend to increase the prices. The total value of tobacco exported from Venezuela in 1917 amounted to more than \$50,000; in 1918(?) the exportation amounted to more than \$800,000.

The total amount of capital invested in Venezuela in the cultivation of the tobacco plant is estimated at \$2,000,000.

INDIA RUBBER

Rubber, which was discovered in French Guiana in 1758, is called "caucho" or "goma elastica," in Venezuela. The rubber produced in the Orinoco, Cassiquiare and Rio Negro sections of Venezuela comes from forests of Heveas. There are other species of rubber trees but their sap is less elastic and

much thicker. The tree is found in plentiful quantities throughout the Guiana section and the Andes Range, and in some States of the East, West and South of Venezuela. More than twenty tribes of Indians inhabiting the Amazon territory of Venezuela gather rubber and prepare it, but, as a general rule, in a very primitive manner.

In the Orinoco region the Hevea tree produces from 40 to 50 grams of juice; in that of the Rio Negro from 80 to 100 grams and in that of the Cassiquiare from 125 to 150 grams per tree.

Due to the fact that this product as well as many others of the country are gathered within the vast territory bordering on Brazil, they are exported through the Brazilian port of Para and reach American and European markets as of Brazilian origin.

Rubber trees when cultivated in a scientific manner yield an average of 95% of pure rubber, each tree producing about 460 grams of juice.

The exploitation of rubber in Venezuela may be considered as limited entirely to the gathering of the natural product on a small scale, as the many million acres producing rubber would require several million people to exploit them. The investment of capital on a large scale is required to develop this important industry. First and most important, labor must be induced to come to Venezuela in order to develop this immense natural resource now scarcely touched. The world demand for this product is great and rubber would undoubtedly be a profitable investment for American investors if undertaken in a systematic and technical way. It is estimated that not more than \$1,200,000 are invested in the rubber industry in Venezuela.

SUGAR CANE

Sugar cane is indigenous in Venezuela and cultivated with good results. Lately, Sugar Cane Central Factories have been established to manufacture the products of the sugar cane. These plants equipped with the best modern improvements as to buildings and machinery have at their disposal sufficient capital to enable them not only to supply the home consumption but to export their products in considerable quantity.

— The climate and the fertile soil of Venezuela are the principal factors in the production of sugar cane, as it grows everywhere in Venezuela except in mountainous parts lacking irrigation.

Four species of sugar cane are cultivated in Venezuela, namely: Criolla, the Otati, the Batavian and the Salangore.

The Criolla is cultivated to the largest extent on account of its sweetness and good results.

The planting and cutting of the sugar cane is controlled in such a manner that there is always in the plantations sufficient cane reaped and ready, in order to avoid interruptions in the grinding during the whole year round. To ensure this continuity of crops, the soil must be kept well irrigated at all times.

The region near the Lake of Valencia produces longer and thicker canes having more juice, but they contain less sweetness.

Sugar plantations are usually divided into *Tablones* covering ninety meters square, each lot separated by a road. Such lots, when well manured, irrigated and sown with sugar cane, produce sixty to eighty loads of "papelón" (brown sugar), or 160 loads of alcohol: that is, 5,120 cones of brown sugar weighing 8,129 kilograms or 9,600 liters of alcohol. Every plantation of any importance has a special building with the necessary machinery and equipment for manufacturing the different sugar products. These are: sugar, brown sugar, alcohol and rum.

Brown sugar is offered for sale molded in different forms such as cones and squares. The best quality of sugar produced in Venezuela is manufactured near Guatire, a town three hours distance from Caracas by motor truck or automobile. Rum is manufactured from sugar cane and alcohol. The previously mentioned Sugar Central Factories command an aggregate capital of \$7,700,000, have a total of 12,800 hectares of sugar cane under cultivation and can produce 2,600 metric tons of sugar per day. This product at present commands a high price abroad; therefore, with proper management these plants now offer a Venezuelan product for exportation in large quantities and of a very fine quality, and for which without much difficulty they should be able to establish a wide market.

As far back as 1913 there existed 600 individuals and companies devoted to the cultivation of sugar cane, with an aggregate total capital of more than \$10,600,000 invested in this industry.

WHEAT

This product was introduced into Venezuela by the Spaniards at the beginning of the conquest and was cultivated in Aragua, Barquisimeto, Trujillo, Merida and the Tachira. The high table lands and valleys in the mountainous regions of Western Venezuela are available for cultivation of wheat. Fine crops of this grain are now raised, which, after being made into bread, is the chief breadstuff of all classes of the country.

In the Republic of Colombia wheat is cultivated on a large scale with good results both in cold, temperate and hot zones. Venezuela has similar zones, therefore by sowing the proper kind of grain in each zone as practiced in Colombia and by adopting the same or similar systems of cultivation as are there used, wheat could easily be raised in Venezuela not only for home consumption, but for export.

COTTON

Cotton, although a natural product of Venezuela, was not cultivated until 1782. Its output became important during the Civil War of the United States, but after that event and the subsequent great decline in prices of this staple product, the industry was gradually abandoned. The cotton tree attains the height of a shrub and under usual cultivation produces in Venezuela more than in the United States. At the beginning of 1800 the average exportation of cotton was 450,000 kilograms a year. In 1850 the export of cotton was of 300,000 kilograms and in 1888 of 57,000 kilograms. In 1913, 267,300 kilograms of cotton with a commercial value of \$72,120 were exported.

Cotton grows in nearly the whole territory of Venezuela, but the best results have been obtained in the States of Aragua and Carabobo, which produce 54% of the total Venezuelan crop.

The farmers sow cotton when they plant corn or beans during the month of July and the crop of cotton begins to be gathered at the end of the month of November or the beginning of December. This depends upon the time when rains permit the sowing. The crops of corn or beans pay the expense of the whole cultivation of the cotton and the only outlay in the raising of cotton is the gathering. It is estimated that the production of cotton in Venezuela in normal times, excepting droughts, locusts, etc., amounts to 7,000,000 kilograms in the seed. There

is an average of 28.5% cotton in the seed, therefore, 1,995,000 kilograms of seeded cotton are produced. The cotton seeds which were sown in the month of June, 1918, began to give a crop in the month of December of the same year, and the gathering of said crop ended in the month of March, 1919. It has been estimated that this crop produced a total of 1,995,000 kilograms of seeded cotton grown in the various states of the Venezuelan Federal Union.

The price of cotton in Venezuela during the last eight years (1911-1919) has fluctuated between Bolivars 70 to 150 per 46 kilograms. The last price of 150 Bs. per 46 kilograms was the one paid at the end of the 1919 crop, due to the high price of cotton in the United States, the country producing the greatest amount of cotton in the world.

Since Venezuela produced in 1919 a total of 1,995,000 kilograms of seeded cotton which were sold at an average of 3.25 Bs. per kilogram, the total value of the Venezuelan cotton crop amounted to Bs. 6,483,750 (\$1,296,750 American gold).

Venezuelan cotton is classified as Cotton No. 2. (Egypt produces cotton No. 1.) Due to the difference in seeds, soil, cultivation on a small scale, etc., Venezuelan cotton is mixed in such a manner that a standard quality of uniform length of fibre is not obtainable in a given lot. For this reason the price of Venezuelan cotton is always somewhat less than that of the medium class cotton from the United States.

The State of Zulia produces the best quality of Venezuelan cotton, due to the length of its fibre and because it is more advantageous when manufactured, but as the cloth industry in Venezuela is not intensive enough to warrant the classification of fibres, this advantage is not noticeable in the aggregate cotton trade of Venezuela. The cotton plant gives but one crop a year and requires to be replanted every year. At the present time it is estimated that \$200,000 are invested in the cultivation of this product.

TONKA BEANS

These beans, which are exported from Venezuela on a large scale, have the shape of a large black almond and give out a delicious perfume. When dry their peculiar perfume develops still more and it is used as an odorous basis to make high grade

perfumes, and to flavor tobacco. The bean is a natural product and needs no cultivation, as a general rule; it is gathered in the Tonka forests existing in the Amazon territory and the District of Cedeno, in the Venezuelan Guianas. Tonka beans are a staple of great value in the regions watered by the Orinoco River and its tributaries, and almost the entire crop of Venezuelan Tonka beans are exported by the way of Ciudad Bolivar.

The gathering process formerly in use brought about the destruction of the trees, but the Venezuelan Government has taken the necessary measures to prevent the trees from being felled as was formerly the case. The large trees now in existence are being protected perfectly. In the year 1913 Venezuela exported more than half a million kilograms of tonka beans having a commercial value of \$727,800. One or several well organized companies with the necessary capital at their command would derive great profit from such exploitation.¹

VANILLA

Venezuela produces an uncultivated vanilla plant called "*vanilla lutescens*," but that commonly known to commerce is the more aromatic kind called "*vanilla plantifolia*." The cultivation of this product has not been fostered to any great extent. It grows readily in the rich soil of the States of Falcon, Lara, Bolívar, Anzoatequí and Zámora. No official figures are available as to the production, cultivation or export of this product, although there is a good opportunity for further development.

COCOANUTS

There are many cocoanut tree plantations in Venezuela, chiefly in the regions of Zulia, Carabobo, Bolívar, Barcelona and Cumana. Cocoanuts are used for various reasons abroad and in the United States, therefore the cultivation of this natural product could be fostered so as to make it an article of export on a large scale and it would become a profitable investment not requiring a large capital. In 1913 there were invested in Venezuela in the cultivation of cocoanut trees \$1,095,200.

¹Agricultural Year Book of Venezuela, 1913.

INDIAN CORN

This product is successfully cultivated in all the States of Venezuela where it grows in every kind of soil, from the level of the sea to 2,800 meters above it. It thrives best, however, at an altitude of 500 to 1,000 meters. There are about 73,131 acres in Venezuela devoted to the production of corn, and the total amount raised is estimated at 150,000 metric tons. Special attention has lately been paid to the cultivation of corn, which is the real breadplant in Venezuela, especially in the interior of the country, and a considerable quantity of Indian corn has been exported.

BEANS

Beans are also successfully grown in all the States of Venezuela and a great variety of them are produced. Those having the greatest demand are the "black beans." Their production not only meets the domestic demand but they have been lately exported in considerable quantities. They grow readily at all times of the year and are one of the principal articles of domestic commerce in Venezuela.

INDIGO

This product was introduced into Venezuela in 1777 and planted near La Victoria and later in many other places. The best quality was produced at San Sebastian. Due to the high price attained by coffee many years ago, the cultivation of indigo was abandoned. In 1902 the exportation of indigo amounted to 1,876,510 pounds having a value of \$2,450,000.

This product has now sufficient demand in foreign markets to warrant the revival of its cultivation as a remunerative exportable commodity of Venezuela.

During the year 1917-1918 the products exported from the agricultural zone of Venezuela amounted to \$10,400,000; in this zone there is now invested \$46,600,000. A presidential decree of March 12, 1917, created an experiment station of agriculture, live stock, and forestry with a garden of acclimatization to be located at Cotiza near Caracas. Its purposes were stated to be:

The study of improved methods of cultivating the agricultural products of the country; the introduction, selection and distribution of seeds; experiments in reforestation; preparation of reports upon nature of soil and most adaptable crops from each region, with practical work for the training of agricultural foremen and forest rangers.¹

Other purposes are:

To maintain circulating agrarian libraries, to promote expositions, to form nurseries of exotic plants, to introduce new agricultural machinery and implements, and to supply all possible information and assistance to the country.

In the following table the amount of capital invested in Venezuela in the cultivation of its eight principal agricultural products is shown.²

Coffee trees.....	\$16,000,000
Cacao.....	13,000,000
Balata and rubber.....	2,000,000
Cocoanut trees.....	2,000,000
Tobacco.....	2,000,000
Bananas.....	500,000
Cotton.....	400,000
Sugar cane.....	11,500,000
Total.....	\$47,400,000

The following table shows the principal products exported from the Agricultural Zone of Venezuela from 1917-1918,—weight in Kilograms and values in Bolivares.³

<i>Products.</i>	<i>Weight in kilograms.</i>	<i>Value in Bolivares.</i>
1. Cotton.....	3,067	4,930
2. Starch.....	248,801	104,307
3. Sugar.....	13,260,562	5,526,798
4. Cacao.....	20,280,865	10,603,372
5. Coffee.....	34,123,145	29,190,622
6. Bananas.....	377,636	58,205
7. Indian Corn.....	21,360,191	4,878,173
8. Brown sugar.....	5,440,551	1,427,161
9. Tobacco.....	297,579	324,436
Total	95,392,397	B. 52,118,004

¹Memoria del Ministerio de Fomento, 1918.

²Informe del Ministerio de Fomento, 1919, p. 44.

³Informe del Ministerio de Fomento, 1919.

THE FOREST ZONE OF VENEZUELA.

This vast region extends from the Gulf of Maracaibo over the mountains of Yaracuy, San Felipe, Aroa, Tucacas, San Camilo, Guayana and its territories, and from the untouched forest of the Trujillo and Barquisimeto mountains to the fertile woodlands of the State of Zamora.

The Forest Zone of Venezuela comprises about half of its territory; of this half, 98% is still virgin land, a fact which may be regarded as one of the principal hopes for the progressive future of the country. The Zone has an area of 795,640 square kilometers, from which over two thousand specimens were exhibited in Caracas at one time. From this immense region Venezuela can derive natural resources of unlimited wealth, when sufficient labor and capital are available, better means of transportation established, and more modern machinery and implements introduced.

The following figures show the division of the Forest Zone of Venezuela:

Public Forest Lands.....	295,400 sq. kilometers
¹ Private " " 	125,000 " "

The Forest Zone of Venezuela comes within the forest area of South America. Richest in quantity, and, probably in variety of vegetable life, is the well-known land of Guayana, with its vast forests, hot climate and heavy rainfall. Within this area the plants range from the alpine shrubs and reindeer moss found on some of the higher plateaux and hills to the bamboos and orchids of the river banks. The high timber trees grow fairly close together, and their spreading tops fifty, eighty, or one hundred feet from the ground, with the abundant hanging manes and flowering creepers, keep all but a feeble light from the ground; hence it comes that the undergrowth is usually sparse or absent, and progress on foot is comparatively easy.

Of all the forest giants of Guayana, "*Schomburgk*" is considered the most magnificent; the average diameter of the trunk is about three feet, and it seldom branches at less than forty feet from the ground. Its wood, dark red and fine grained, is said to be excellent for shipbuilding purposes.

Caoba, whose wood is very like mahogany in color, and a certain big tree called "rosewood," which it resembles, are notable

¹Informe del Ministerio de Fomento, 1919, p. 27.

among the timber trees. The huge *Ceibas* have a soft, easily worked wood, excellent for the dugout canoes of the Indians. The equally large *Mucurutu* or cannon-ball tree furnishes a beautiful but hard grained timber.

Two fruit trees whose products are well known throughout Europe grow in the regions of Guayana, the *Brazil nut* and *tonka bean* trees.

The gums and resins of Guayana include the balata, copaiba-balsam, and rubber-producing trees, the latter chiefly varieties of *hevea*, while *cinchona* or *quinine*, with innumerable creepers and trees possessed of medicinal or toxic properties are found on all sides. There are more than 2,450 known species of plants to be found in the Forest Zone and more are being added to the list daily; it is probable that in such an assembly there must be many of value as yet undiscovered and unused.

The forest plants and trees of Guayana also flourish in the Delta Region and in the forests bordering the Llanos of Maturin, but the vegetation of Northern Venezuela is generally different from that of the South. The great brown plain of the Llanos is beautified by small golden, white, and pink flowers, while sedges and irises make up much of the small vegetation. The banks of the rivers often support denser groves of *ceibas*, *crotons*, *guamos*, etc., and along the banks in front of the trees are masses of reeds and semi-aquatic grasses.

In the region of the Cordilleras many different types of vegetation can be found in the various zones. The very hot section has generally a heavy rainfall and supports thick forests, but along the sea coast there are barren stretches with only cactus, acacia, croton, and similar plants. In this region we have the plantations of cacao, sugar, bananas, plantains, maize and cassava, which are the staple foods of the inhabitants. The growth of cocoanuts is also encouraged. In addition, there are many products of the forests, chief of which are the dyewoods, and tanning barks, including logwood, dividive, mangrove, indigo, and many others. There is also a great deal of valuable timber in this region, the chief woods exported being mahogany and cedar.

In the cooler regions we find a mixture of hot country plants and those of the mountains. One may see in the same valley, within a short distance of one another, bananas, potatoes, sugar

cane, wheat, yuca or cassava, peas, maize, cotton, cocoa and coffee, all flourishing, and a single orchard may contain guavas and apples, peaches and oranges, and a variety of other fruits; the garden adjoining will have a mixture of roses, carnations, violets and dahlias and many tropical flowers. Strawberries, mint, nasturtiums and other of our garden plants have been successfully grown in these mountain regions within 10 degrees of the equator.

The higher part of this region exhibits a great variety of plants peculiar to this zone. Along the mountain roads can be seen palms, screw-pines, and beautiful tree ferns, also cranberries, blackberries, ivy, quinine-trees, small bamboos, silver-ferns, and many other beautiful plants and shrubs. In short, here can be seen the greatest variety of color and floral scenery.

In the cold region of the Cordilleras the small woods of the temperate zone gradually die out, and toward the snow line we have the alpine grasses, heaths, and thick leaved, aloe-shaped plants which have lumps of resin clinging to their roots, and seem to take the place of pines, which are not found in Venezuela.

The value of the products of the Forest Zone of Venezuela exported during 1917-1918 was more than \$1,800,000. The capital invested in the cultivation of this zone amounts to more than \$2,000,000.

Matthew J. Heiler.

THE CATTLE INDUSTRY IN VENEZUELA

This report is based chiefly on conferences and trips with Dr. Martínez Mendoza, Director of the Agricultural Experimental Station, and on notes which he very kindly furnished. The following references have also been consulted:

"Venezuela." Handbook prepared by Dr. N. Veloz Goiticoa for the Ministerio de Fomento.

The Annual Reports of the United States Consul at La Guaira, for 1916 and 1918.

"Venezuela" by L. V. Dalton, 1918.

The article on "Venezuela" in the Encyclopedia Britannica has been consulted.

Venezuela has an area of approximately 393,976 square miles

and a population of over 2,848,121.¹ From these figures one may see that the country is very sparsely settled, and that the first requisite of a cattle country is met,—that of plenty of open land.

The main occupation of the people is agriculture. Stock-raising is next in importance and promises soon to be the leading industry of the country. Yet, even though the industry is now important, it is developed to such a slight extent, in view of its possibilities, that the past history means little and statistics mean but little more. The wars for independence, internal strife, political unrest and a certain lassitude on the part of the people have greatly hindered the development of the industry in the past.

There exist no authentic source material or statistics covering the cattle industry in Venezuela. Only during the last few years has the Government succeeded in convincing cattle raisers of the importance of accurate statistics and led the way itself by beginning systematically to compile them.

The following statistics are, consequently, approximations and consist for the most part of rough estimates. They were obtained from the 1919 booklet of N. Veloz Goiticoa and were officially edited by the "Department of Fomento" and are, consequently, the most nearly correct and authentic which could be obtained and also the most complete.

Still, as stated before, it is not the past in which we are interested, so much as the future, and hence we shall merely quote the available figures and then dismiss them from further consideration.

Number of Cattle in Venezuela.

1804.....	1,200,000	1864.....	5,800,000
1812.....	4,500,000	1873.....	3,302,670
1823.....	256,000	1883.....	8,591,860
1833.....	2,437,150	1894.....	6,345,560
1839.....	4,617,560	1899.....	6,059,480
1847.....	5,503,000		

In 1919 it was estimated that there were only 2,600,000 head of horned cattle within the country.

The figures of 1915-16 for live-stock show:

Horses.....	191,000	Sheep.....	177,000
Goats.....	1,700,000	Cattle.....	2,000,000

¹Figures of 1917. Latest census is expected to show some increase.

Live-Stock on the Hoof Exported From Venezuela from 1831 to 1918.

Years.	Wt. in Kilograms.	Value in Dollars.
1831.....	1,825	
1847.....	15,976	
1852.....	13,316	
1882.....	5,929	
1898.....	24,000	
1901.....	60,000	
1903.....	60,000	
1904.....	60,000	
1915.....	18,339	5,415,000 259,800
1916.....	18,267	5,115,000 246,000
1917.....	18,333	5,195,000 325,000
1918.....	19,020	5,343,000 308,000

Exports of Frozen Meat from 1915 to 1918.

Years.	Carcasses.	Wt. in Kilograms.	Value in Dollars.
1915.....	17,847	2,197,240	196,663
1916.....	18,267	3,315,990	334,216
1917.....	18,335	4,978,420	398,273
1918.....		5,867,770	467,867

In 1917-18 the exports of the "Pastoral Zone" were:

Products.	Value in Dollars.
Salted meat	3,398
Frozen meat	467,867
Animal hair	100
Horns.....	1,788
Skins.....	1,673,230
Frozen residue of horned cattle.....	10,982
Horses, sheep, goats, pigs.....	24,539
Horned cattle	308,188
Wool.....	155
Soles.....	67,442
Total.....	2,657,689

In 1919 it was estimated that \$20,000,000 were invested in stock-raising and pastures. Since that time there has been a great increase and it is safe to estimate that now the sum is nearer \$30,000,000.

Topographically Venezuela may be divided into three regions:

1. The mountain area of the north and northwest.
2. The Orinoco Basin, with its spacious "llanos" (plains).
3. The Guiana Highlands.

It is the second region, called "The Pastoral Zone," in which

we are most interested. The other two concern us only in two respects: as a source of water supply, and as a hindrance to easy transportation.

"The Pastoral Zone" covers 300,000 square kilometers (187,500 square miles), and extends from East to West, from Barrancas, on the vertex of the Orinoco delta, to the plains of Sarare on the Colombian frontier; and from South to North from the Vichada River to the mountains of El Pao in the State of Carabobo. It includes the states of Portuguesa, Zamora, Cojedes, Apure, Guárico, Anzoátequi, Monagoas, Bolívar and part of the other neighboring states.

This entire region is most admirably suited for the raising of cattle. All year round there is an abundance of green grass and the cattle do not need much care. Here exists one of the finest natural pastures of the world, capable of supporting, with the use of modern methods, 50,000,000 head of cattle, twenty-five times the number now existing.

There are two seasons—wet and dry. During the rainy season, from June to October, the cattle feed in the highlands and mesas, which are not subject to inundation. From January to May, the dry season, they feed in the lowlands, which always retain a natural dampness and abundance of grass.

The climate of this zone is slightly warmer than that of the plains of Texas, and the dampness of the lowlands results in a much greater growth of vegetation suitable for cattle.

Throughout this region are scattered the cattle farms of the country, in most of which the primitive methods of cattle raising are still followed. The "llaneros," as the inhabitants of the plains are called, have not yet commenced to utilize the modern methods for breeding or raising cattle. The cattle run almost wild and considerable loss results from the lack of proper care. The milk is obtained almost entirely by the calf, and thus another great source of income is lost. This accounts for the importation of \$400,000 worth of butter annually.

Each year the cattle over three years old are separated from the herd and slaughtered, although the slaughter of cows is prohibited, and General Gomez has absolute control over the slaughter of beef for home consumption. Then, until the next year, the cattle are again allowed to run wild and at will.

The reason for this apparent carelessness is the regrettable

lack of sufficient labor to care for the herds. This is also the main reason for loss by disease and drought.

The Orinoco River, 1500 miles long, and 1900 miles long if measured by its Guaviare branch, lies entirely within Venezuela, and drains this great cattle section. It has 436 tributaries, and plays an important part in the transportation of cattle. Here lies the remedy for drought. No steps have yet been taken for the proper storage of water for emergency use; with the installation of water storing facilities the drought loss may be practically eliminated. The screw-worm of the kind existing on our Texas ranches is here in evidence and loss undoubtedly results from this source.

Malarial fever at times works havoc in various sections of the "llanos." Though it may be said that the effects of this disease are greatly exaggerated it is true that the disregard of the laws of hygiene is responsible for the wide prevalence of this disease. It is the supine ignorance of a portion of the half-savage people who inhabit the plains, which allows the disease to gain dangerous headway. These people live and eat in primitive fashion, drinking muddy water, eating badly cooked roots and beef, without salt, sleeping in the open nearly naked, and consuming at every opportunity huge quantities of coffee and spiritous liquors (*aguardiente*), thus becoming predisposed to end as victims of the dread disease. With the adoption of sanitary methods to combat the fever, it may be wiped out upon the plains, as is now happening in some of the better ranches where the workmen observe the elementary laws of hygiene.

Considering Venezuela's natural advantages and the handsome profits even now realized under the loose methods of breeding followed, it is certain that Venezuela is destined to be primarily a cattle country. "If, notwithstanding the unprogressive methods followed in the breeding of cattle, and despite the lack of care on the part of the 'llanero' in the selection of good males, resulting in a large percentage of weak calves, which, on reaching puberty, give little milk and little beef, it still appears that breeding is the most profitable industry in the country, it can well be imagined how the profits will increase when the Venezuelan breeder puts into full operation the modern improved methods for breeding, such as the selection and crossing of good breeds, the introduction of modern methods of sani-

tation, and the selection and improvement of the pastures for fattening and the production of milk." (Director of Experimental Station of Agriculture, Dr. Martínez Mendoza).

Until very recently, a decided lack of adequate transportation facilities prevented the development of the industry. Death of stock and loss of healthy condition when transported by the shaky mountain railways decreased the profits of the cattle raisers. Lately, 1,800 miles of motor roads were built under the direction of General Gómez, which afford an outlet for the products of the "llanos." Their construction means the unification of the country and its development. Probably no one factor has been of such prime importance to the nation as this great engineering feat.

Still, it must be acknowledged that these roads are not sufficient and that there is still a lack of transportation facilities. The one saving factor in the situation is the Orinoco and its branches.

In the past very little attention has been given to the systematic crossing of breeds. Of late, several prominent cattle raisers, aided by General Gómez, have begun scientifically to better the breeds of animals by the importation of fine foreign stock. Thus, the Zebu cattle has been in the country for some time. This type excels the native cattle in weight, but is very fierce and wild.

The milk cows are now being selected with great care and good results are being obtained from crossing them with native stock. Dutch, English, Swiss, German and American cows are kept in several up-to-date establishments, where the raisers are beginning to overcome the difficulties of acclimatizing the foreign breeds, and a high average in the production of milk is resulting.

At "La Rinconada," an establishment very near Caracas, the pure breed "Holstein Friesian" is found and the specimens are sold to cattle-men of the interior, showing a commendable tendency on their part to improve their stock. I have visited this establishment and may say that great diligence is exercised in the care of these cattle.

Although the principal income from cattle accrues, of course, from the slaughter of beef and sale of hides, there is another great source of income,—the production of "cincho," cheese, for home consumption. Cattle on the hoof now command a price

of Bs. 25 (\$5.00) per "arroba" (25 pounds); the price of cheese is Bs. 600 (\$125.00) per 100 kilos. Because of the recent advances in the prices of cattle and cheese, the industry has obtained a new impetus as is evinced by the huge investment of foreign capital (mainly English) during recent years.

The Venezuelan government is doing its best to encourage foreign capital to invest in the industry. To stimulate production breeding animals, barbed wire, pumps and well-boring machinery may be imported at a very low rate of duty.

Immigration is being encouraged by the payment of transportation, passport, and incidental expenses, and by grants of land. In spite of this, immigration however is very small, being offset by emigration, and the high death rate that results from unsanitary conditions keeps the population figures of the country practically stationary.

There are laws in operation fixing the price and amount of land to be bought by any one person. One may buy 6,000 acres of first-class grazing land and 10,250 acres of second-class grazing land at very low prices. He must improve the land and have at least ten persons on every 250 acres, in the case of land grants, though I have been unable to ascertain whether this also applies to bought land.

To buy land one first applies, in writing, to the governor of the state in which the land is situated. If no objection is found to the sale, a land commission surveys, classifies, and values the land. The application then goes to the Minister of Fomento, who, if he approves it, issues a deed, upon payment of purchase price in bonds of National International Consolidated Debt, or the equivalent at the current rates. The deed must then be properly recorded.

The government is encouraging the industry by the imposition of very high protective duties. An example may be found in the boot and shoe industry which is protected by a tariff, based in 1918 upon gross weight and, including surtaxes, amounting to \$274.10 per 100 pounds.

Of late, more and more impetus has been given to the establishment of canning, tanning and meat packing plants. Yet, there is only one packing house in the country. The "Venezuelan Meat and Products Co., Ltd.," an English company, with a plant at Puerto Cabello, has practically a monopoly of the

exportation of frozen and chilled meats and of "tasajo" (jerked beef). The capacity is 300 head of cattle per day and the chief market is Europe. The same company has invested large sums in choice cattle lands near the site of the factory, and since its infancy has shown a consistent tendency to steady expansion.

There are two sizable tanneries at Maracaibo which supply the local demand for coarse leather. Uppers for shoes and finer grades are imported from the United States. Other smaller tanneries are located at Caracas, Valencia and La Guaira.

At Barrancas is located a salt-meat plant which is expected shortly to handle 25,000 head of cattle per year in the production of gelatine, meat extracts, fertilizer and salt meats. The very high price of salt in Venezuela is a severe drawback to the salt-meat industry.

Río Chico is a manufacturing town, making soap and candles and passing the hides to La Guaira for tanning and export.

The Dairy and Canning plant at Maracay is entitled to special mention. It owes its success to the support given by General Gómez, its largest stockholder. It is ideally located, being surrounded by some of the most modern cattle ranches of the country, and has the advantages of nearby and easily accessible markets. The company also owns its own cows, and hogs which are supported by the waste and refuse of the factory.

The building is a specially constructed one, fitted out with a refrigerating plant and modern machinery of American and German make. Even the cans used are made within this building. Two kinds of butter are made here, one with salt and the other without salt. This is the best butter made in the country. Canned sterilized milk and cream are also produced, as is also a high grade of cheese. The capacity is 400 pounds of butter and 100 pounds of cheese per day.

Immediately upon entrance to this factory, one is impressed by the extreme cleanliness and efficiency existing and by the up-to-date methods used.

Finally, we may consider the advisability of investing capital in the cattle industry in Venezuela, as there is no question that real opportunity for profit exists here.

Venezuela is superior to Argentina, the other great cattle country of South America, in every respect except one, that of the amount of pasture land. This handicap, however, is not

very important considering that Venezuela is not producing to capacity by 96 per cent and that it will be a very long time before it becomes necessary to look for means of extending the present feeding grounds. When that time comes, alfalfa may be planted on the mesas and highlands not bearing a natural growth of grass. It has been demonstrated that both alfalfa and elephant grass will grow in almost all sections of Venezuela.

Venezuela is a week nearer to Europe than Argentina. The vast importance of this fact is self-evident, for it means that Venezuela will always be called upon up to the limit of her production.

Land is cheap. A square league of meadow land may be had for \$80.00. The best pasture land in a good location may be bought for \$800.00 per square league. Land is abundant too, and but a small percentage is now in use.

Guanta is a port of the Caribbean, in the State of Bermúdez, 12 miles east of Barcelona, with railroad connections. It has a protected harbor, with an easy and safe entrance 1998 feet wide, secure anchorage for large vessels, and a good wharf. Behind Guanto lies fine cattle land, a significant fact when it is recalled how very important is the shipment of live cattle.

Here would be an ideal spot for an American packing house, and the country behind would seem well adapted for the investment of capital in cattle-raising.

The regions just below Ciudad Bolívar would also be a good location for an American enterprise. Stock may be very cheaply bought and brought down the Apure and Orinoco rivers to the plain below the city, where they could be fattened and slaughtered. There is easy access to the Caribbean and Atlantic, to Trinidad and other markets.

On the other hand, we may say that the future of the cattle industry depends primarily upon the political situation of the country. It is this factor which has retarded the industry in the past and which is now responsible for the hesitancy on the part of foreign capital. The profit to be derived from any industry here depends upon a firm, stable government. Under such a government the profits to be derived from cattle will be immense. If political wars again break out, however, heavy losses are almost inevitable.

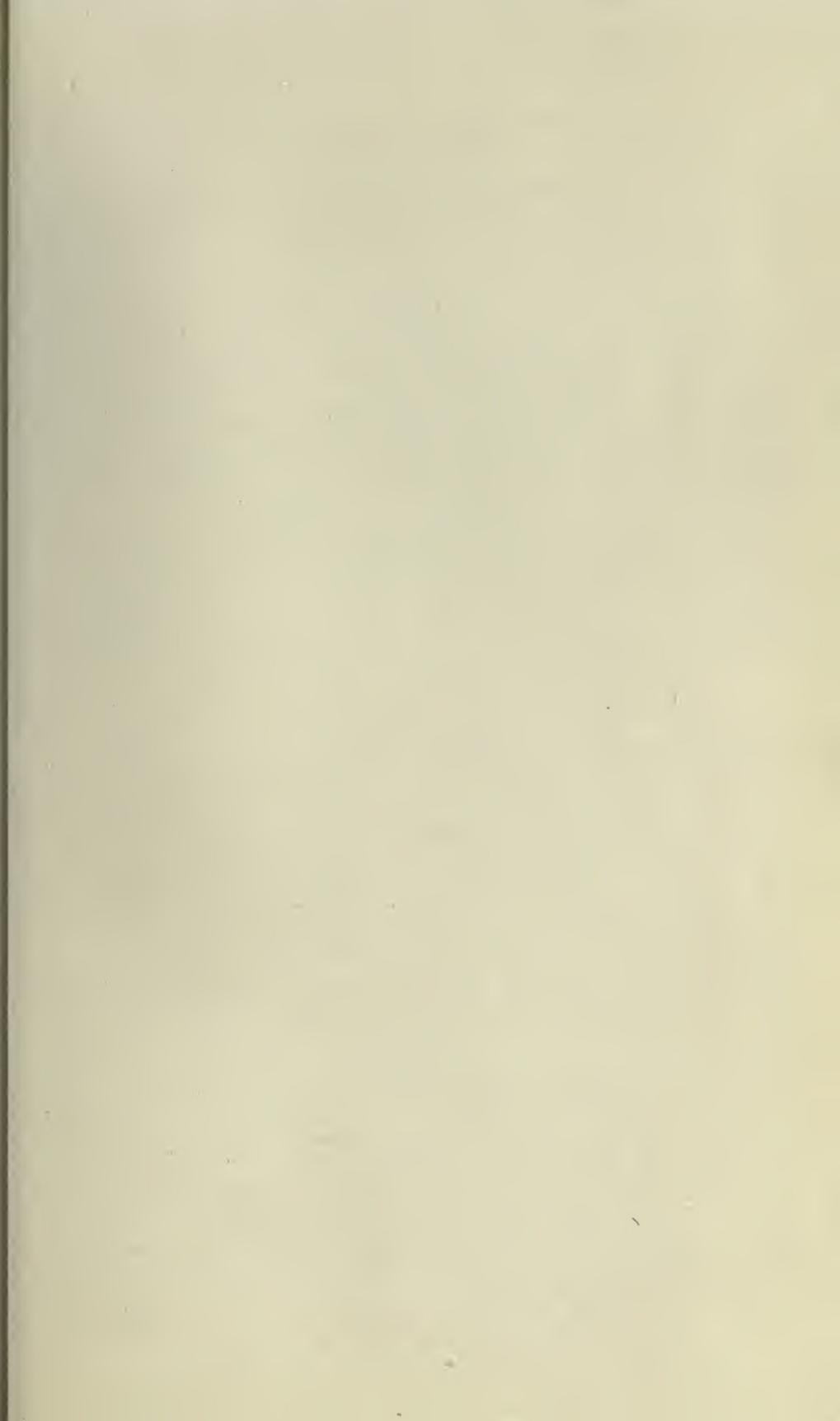
The present administration has done more for the development of the country than any previous government and its attitude towards foreign capital is favorable. It has, furthermore, been firm and stable.

Still, beneath it all, one detects signs of a strange unrest. The observant traveler hears murmurings every day. There is no denying the fact that the present government is a military one. Yet, I believe that the intelligent and influential class of the nation realize the good it has done and feel that the country must never return to the old conditions of ceaseless revolution. I am of the opinion that Venezuela has fairly embarked upon a program of development and prosperity.

Another factor to be seriously considered is the aforementioned shortage of labor. Yet, in spite of this, labor is very cheap. The government has a favorable attitude toward grants for colonization purposes, and in this lies a golden opportunity for a resourceful man with capital to bring his own laborers here and realize great profits in the venture.

If, upon more detailed examination of the conditions than I have been able to institute during my limited stay, it is still the desire of Americans to invest here, such action must be taken soon. The unprecedented success of the packing plant at Puerto Cabello has encouraged other Britons to invest. The company itself is acquiring the best lands about the site of the plant and interested investors are buying the desirable land in other sections. The American who intends to invest should do so immediately or he will find that the choice cattle lands and the best locations for packing houses will be in the hands of the English. Prompt action is imperative.

Willard C. Frazee.





AT THE CENTRAL TACARIGUA, A LARGE SUGAR CANE ESTATE



DR. SHERWELL AND DR. SÁNCHEZ, DIRECTOR OF THE NATIONAL LIBRARY
WITH GEORGETOWN STUDENTS AT FOOT OF STATUE TO GENERAL RIBAS
AND STUDENT SOLDIERS OF THE WAR FOR INDEPENDENCE

MINERAL RESOURCES OF VENEZUELA

Before discussing the minerals of Venezuela we shall touch briefly on some of the predominant features of the topographical formation of the country, without, however, entering on a detailed description of the geologic aspects of the rocks and soil. The location of minerals is directly connected with geologic formations, and the findings of geologists should be consulted before we can take up the more intimate study of mineral ores for commercial and industrial purposes.

It has been stated that one of the most ancient land surfaces in the world is the Guayana Highlands, and from observation made on this point they may be said to offer many striking analogies to the western highlands of Scotland, which furnish such frequent opportunities for exalted poetical allusion in the writings of Robert Burns. The great, elevated platform, from which rises the peaks and mountain chains of Guayana appears everywhere to be composed of rock which during the process of integration and disintegration has preserved traces of a primitive land of long ages ago when living organisms, if there were any, had not reached such a stage in their development as to leave relics in the deposits of the time. The mountains are thought to be composed of similar rocks, gneisses, hornblendes, schists, and granite, all containing evidence of great antiquity in point of geologic time. This Guayana complex, as it is called, has been considered by geologists as more or less equivalent in age to the Lewisian gneiss of Scotland and therefore one of the oldest members of the Archaean system.

While in all probability northern Venezuela has no rocks quite as ancient as those of Guayana, the geological history of this part of the country has been much more eventful and the number of earthquakes suggest that even now the form of the earth's crust in this region is undergoing comparatively violent changes. As is commonly the case, to find the oldest rocks one must search the hills. The masses of gneiss, silvery mica, schist, marble, etc., which form the highest part of much of the mountain region, were first studied by Mr. G. P. Wall in the Caribbean Hills in 1860 and named by him the *Caribbean*

Series. The silvery mica flakes of this region are sometimes mistaken for the precious metal and many valueless specimens have been offered for sale as silver to credulous fortune hunters.

The mineral wealth of Venezuela although not as extensively developed as conditions would seem to invite, is without doubt of very great extent, especially in the states of Bolívar and Yuruari. The principal mineral resources consist of gold, silver, copper, iron, zinc, lead, quicksilver, asphalt, petroleum, coal, sulphur and precious stones. There exists hardly any known mineral product that is not found in some part of the vast territory of Venezuela.

GOLD

The yellow lure that drew the early European venturers to the West is still one of the principal sources of wealth in Venezuela. Since the Conquest gold has always been one of the chief attractions offered by Venezuela to prospectors and capitalists. In 1904 Venezuela occupied fifth place in the production of gold in the American Republics and it is acknowledged that the evidence obtained in the various expeditions in search of this precious metal, indicates that gold exists in greater quantities than statistics tend to show. The greatest output is in the region of Yuruari, which includes "El Callao." Lack of experience and carelessness of management on the part of early companies have led to the shutting down of mine after mine when once the accessible ore of the vein was exhausted, or lost by faulting. Among the earlier mines, the Callao was perhaps the most famous, though at all times the mining industry in this region has been hampered by the cost and difficulty of transportation, a drawback only to be removed through the construction by the government either of macadamized roads or railroads, at the outset preferably the former. There are rich veins in all the mountainous lands between the Yaracuy River and the cities of San Felipe, Nirgua, and Barcelona. Near Carúpano large mines are being exploited by New York capitalists, who have been able to extract seven ounces per ton out of the ore mined; besides these there are also mines in the vicinity which contain rich deposits of silver, copper and lead.

The value, in average years, of Venezuelan gold production since 1896 has been:

1896.....	\$948,500	1902.....	\$433,800
1897.....	1,057,400	1903.....	600,000
1898.....	1,089,300	1915.....	1,280,217
1899.....	593,500	1916.....	1,479,218
1900.....	321,200	1917.....	898,431
1901.....	321,200		

COPPER

Copper ores are fairly common in the northern cordilleras, and likewise in the mines of Aroa in Yaracuy, 112 kilometers from Puerto Cabello. Here the pyrite veins occur in the Capache Limestone not far from the point where it has been crossed by a mass of granite. Copper ores are believed to exist in many other places in the mountains of Venezuela, especially in the mines of Seborneo and Bailadores. A rich deposit has recently been opened up near Pao in the northern part of the state of Cojedes. But the development of metals has been so retarded during the past year, that the South American Copper Syndicate Ltd., one of the principal concerns, has practically suspended operations and very little production has been realized since March, 1919. The normal output could not be maintained after the termination of the European war, which accounts for the disproportion observable between the years 1918-1919 in the production of gold and copper. In 1919, 653,456.77 grams of gold were mined as against 712,007.08 in 1918. In 1919, 2,090,290 kilograms of copper were produced as against 29,708,195 kilograms in 1918.

IRON

Many signs of hematite and magnetic iron occur in the coast of the Cordilleras in the mountains above Cora, Barinas, Barcelona, Cumaná and in many spots in the mountains of Parima; the most valuable ore is found near the river Imataca, a tributary of the lower Orinoco, eighty-six kilometers from the mouth. At one point the iron is only 487 meters from the river. There are inexhaustible deposits of magnetic mineral which give 80% pure metal, easily accessible and presenting little if any difficulty in transportation. The veins are said to be numerous and extensive. In 1901 seven hundred tons were shipped to Baltimore where the ore was examined and described as magnetic with 60-70% of iron content. The main deposit is

known as Imatoca, but there are several other well known deposits in close proximity such as El Salvador, Nicaragua, La Magdalena, El Encantado, Costa Rica and Yucatan.

Every natural advantage is afforded in the working and developing of iron ore deposits in Venezuela. In a metallic mine, value depends more upon its fertility and less upon its situation.

It is otherwise with coal. The value of a coal mine to a proprietor frequently depends as much upon its situation as upon its fertility; hence we may deduce the conclusion that the iron mines of Venezuela being both fertile and commercially well situated, should have a compelling interest for foreign capital, especially American capital, in its search for profitable fields of investment.

COAL

In many parts of the Caribbean Hills, the Segovia Highlands, the Andes as well as Maracaibo and the Coco Lowlands, deposits of coal exist, but have only been worked in a perfunctory manner in scattered regions. The coal mines west of Maracaibo have produced the best specimens, and seams of a similar nature have been opened near Coco by shallow workings. The most extensive coal mines are those of Naricual some fifteen miles east of Barcelona, where the partially explored area has revealed some hundred deposits of coal of regular formations measuring from 10 centimeters to 2 meters in thickness.

Coal, however, is not one of the great revenue paying staples, due to the fact that the mines are located in a country thinly inhabited, and without good roads or facilities for transportation by water.

SALT

Salt is perhaps the most profitable mineral for the government, due to the fact that it is a government monopoly. The State allows only certain specified companies to mine or otherwise obtain this staple. One of the richest deposits is the salina of Aroga, discovered by Nino in 1499. An extensive surface of pure sodium chloride is found here, which yields large annual incomes to the government. Salt is found in almost all regions of Venezuela as follows:

<i>States and Territories</i>	<i>Deposits and Mine</i>
Zulia	5
Falcón.....	20
Carabobo.....	5
Anzoátegui.....	7
Sucre.....	4
Nueva Esparta.....	10
Guayana.....	1
Apure.....	1
Bolívar.....	
Goagira.....	6
Colón.....	5
	—
	64

The states of Táchira, Trujillo and Mérida use great quantities of yellow salt, white salt only being consumed in the regions near the salinas of Zulia. From 1874 to 1904 this commodity yielded \$2,753,761.44 in revenue to the government.

In 1918 the extent of the mining industry was so broad that a special directory service was suggested by the Minister of Fomento, separate from the present Union of Mines, Government Lands, Industry and Commerce. Mining concessions in 1917 included 9 in iron, 14 in gold, 1 in copper and iron, 8 in copper and 1 in mica. In 1918, 9 were granted in gold, and 5 in iron. The production totalled:

Gold.....	958,304 grams
Copper.....	42,270,900 kilograms
Asphalt.....	54,071,700 "
Petroleum.....	18,248,524 "
Coal.....	20,164,915 "

EXPORTS IN 1917

<i>Companies.</i>	<i>Metal.</i>	<i>Quantity.</i>	<i>Value.</i>
South American Copper Syndicate, Ltd.....	Gold	902,510 grams	B. 2,669,599.19
La Cumaragua Sindi- cato Buria.....	Copper	43,701,500 Kilograms	
Nat. Government.....			
So. American Co.....	Asphalt.....	47,124,000 "	
N. Y. & Bermudez Co... Caribbean Petroleum Co.	Petroleum	8,650,700 "	

The general mining output of Venezuela in 1918 exhibited the following characteristics:

The production of coal was 25,332 tons in 1918 against 20,165 tons in 1917, all from the two mines operated by the government. Considerable improvements were made at the Naricual mines, and plans have been formulated involving the installation of briquetting machines, and the electrification of the mine by means of the falls of the Neveri River as the power source. The cost of coal at the pit was 13 bolivares (\$2.51) per metric ton, and 40 bolivares (\$7.72) when delivered to private parties.

Copper production fell from 42,270 tons in 1917 to 29,708 tons of ore in 1918, probably owing to lack of vessels for transportation and the falling off of demand for the metal following the cessation of hostilities in Europe.

Twelve companies were engaged in mining gold, the output being 958,304 grams in 1916 and 712,007 grams in 1918.

Only one company produced commercial asphalt (46,453 tons). (See Report on Petroleum and Asphalt, p. 102.)

The number of mining claims of all kinds taken out was 97 in 1917, 119 in 1918 and 135 in the first three months of 1919.

James J. O'Neil.

THE PETROLEUM AND ASPHALT INDUSTRY IN VENEZUELA.

[The writer of this report is much indebted to Mr. W. T. S. Doyle, a graduate of Georgetown University, now manager of the Caribbean Petroleum Company in Venezuela.]

The purpose of this report is to present a complete, yet concise, discussion of the petroleum and asphalt situation in Venezuela. The first part is devoted to petroleum and the second part to asphalt.

Señor N. Veloz Goiticoa, a prominent Venezuelan, says, "There is scarcely a mining product known that can not be found in some part of the vast expanse of Venezuela." This statement, intended to apply to all minerals, is particularly true of petroleum and asphalt in respect of which the great area of Venezuela has as yet hardly been scratched.

PETROLEUM

Some of the natives of Venezuela knew of the properties of petroleum as far back as 1856, and used the oil in lamps. Deposits were later discovered in the interior of the country, particularly near the banks of the Venezuelan lake of Maracaibo. In the year 1883 the Government granted the first concession to a local organization, called the "Compania Petroleo del Tachira," which installed a hand-drilled well in the state of Tachira; this plant is in operation at the present day, although old-fashioned methods are being used to obtain the oil from the ground, consequently the production is negligible. Immediately after this discovery several concessions were granted to various interests, but they lapsed because no work was started on them. No further interest was shown in petroleum until 1893, when a general mining law was enacted which included provisions for petroleum and asphalt. This law was in force until 1904 when a new code was enacted, containing special legislation relating to petroleum and asphalt. The main provisions were that claims could no longer be taken up by denouncement proceedings,¹ but only under a special contract entered into with the Federal Executive, the President.

In 1905, during Castro's administration, the mining law of 1904 was remodeled. The act was very short,—containing not more than 13 articles,—but it placed in the hands of the Executive a great deal of power that he had heretofore not possessed.

All dealings regarding concessions were to be negotiated directly with him. In the year 1906, pursuant to authority delegated to the Federal Executive, an Executive decree was formulated which provided for the whole procedure under which concessions were to be granted. Under this, important initial steps were taken and many concessions granted. Four of these concessions are in force today; namely:

1. The Colon District (Colon Development Co., Ltd.)
2. The Maracaibo and Bolívar District (Venezuelan Oil Concessions, Ltd.)
3. Buchivacoa District (British Controlled Oilfields, Ltd.)
4. Silva and Zamora District (North Venezuelan Petroleum Co., Ltd.)

¹Old Spanish law which provided that a person or party of persons could stake out any unowned piece of ground, and then establish claim for it.

Under the new code of 1909-1910, several new contracts were made. A roving concession was granted to John Allen Tregelles, an Englishman, to explore the whole northern part of Venezuela. He located and started to drill a well near Cumana, but without result. The rest of his concession lapsed, after a period of two years, through non-performance. The next important concession under the code of 1909-1910 was granted to the Bermudez Company which obtained a small area, not covered by the Tregelles concession; their efforts were rewarded with more success. The Pauji Company, a local organization, also obtained a concession for a small area, but their efforts met with but small success.

On the second of January, 1912, the Caribbean Petroleum Company started the first solid work in the exploitation of the petroleum fields. They obtained permission to explore over 1,000 different sections and was the first company to achieve substantial success. Drilling was begun in 1914, and three wells in Mene Grande, state of Zulia, and one in Perija turned out to be successful. In the same year the "Venezuelan Oil Concessions, Ltd.," a British corporation, drilled a successful well near Cabimas, and the "Colon Development Company," also a British concern, struck oil near the Rio de Oro.

The law of 1915 showed that the government was exhibiting a tendency to exert a controlling influence, much more than before, over the various oil fields. It was found no longer possible to obtain the enormous concessions that had heretofore been granted.

In 1918 still another new law was enacted. Just about this time greater interest was being displayed in Venezuelan petroleum, a condition brought about through the operation of the economic law of supply and demand. The European War, and the failure of some of the most important Mexican fields had a great deal to do with the shortage. The world naturally looked for new petroleum fields, and Venezuela seemed to be among the most promising prospects. Pursuant to the 1918 law, an Executive Decree was formulated on October 9, 1918, establishing the conditions required to explore and exploit petroleum, granting to prospectors all the necessary facilities, and, in a word, securing for Venezuela the efficient and profitable exploitation of her valuable deposits. In pursuance to said

decree, the Fomento Department having passed several resolutions, opened for bids the zones which were free in the states of Zulia, Tachira, Trujillo, Merida, Falcón, and Sucre.

In the spring of 1919 sixty-four contracts were made with the government by various interests, as follows:

1. West India Oil Company (Branch of Standard Oil Company.)
2. The Sun Oil Company, with subsidiaries as follows:
 - a. Venezuela Oil Fields, Lt'd.
 - b. Venezuelan Sun, Lt'd.
 - c. Sucre Oil Fields, Lt'd.
 - d. Trujillo Oil Fields, Lt'd.
 - e. Merida Oil Fields, Lt'd.
3. Maracaibo Oil Exploitation Company with subsidiaries as follows:
 - a. Mara Exploitation Company.
 - b. Miranda Exploitation Company.
 - c. Perija Exploitation Company.
 - d. Paez Exploitation Company.

It will be noted that under both the Sun Oil Company and the Maracaibo Oil Exploitation Company there are various subsidiaries. The reason for these combinations are, that under the law of 1918, no one company or individual may control more than 80,000 hectares of land for exploration or more than 40,000 for exploitation (1 hectare=2.471 acres).

In the spring of the year 1920 about 140 concessions were granted under the law of 1918, and the prospective fields were greatly extended. Whereas in 1918 they were restricted to the western part of Venezuela, by 1920 they had been extended to several sections of eastern Venezuela. In the western part of the country, at the present time, the whole Maracaibo Basin is covered with concessions, and most of these are being exploited by American capital.

At the present day there are five companies of importance operating in Venezuela. The Caribbean Petroleum company, a subsidiary of the General Asphalt Company, has completed eight wells, all of them producing, the combined capacity of which is about 6,000 barrels per day, and the average depth of the wells 1,200 feet. All these wells are located in Mene Grande,

in the state of Zulia, east of the lake of Maracaibo. This company is now drilling two wells, also in the State of Zulia; they have already drilled nine dry holes in the State of Zulia, west of Lake Maracaibo. The Caribbean Petroleum possesses the only refinery in Venezuela, located at San Lorenzo, on Lake Maracaibo, with a capacity of about 1,200 barrels per day, intended for local consumption in Venezuela. A pipe line 10 miles long connects the wells at Mene Grande with the refinery at San Lorenzo. The large refinery at Curacao, D. W. I., completed two years ago, is also refining for the Caribbean Petroleum Company, the crude oil being transported up Lake Maracaibo, and through the port of Maracaibo, in barges.

The Colon Development Company, a British Corporation, has completed four wells, two of 900 feet, one of 1,200 feet, and one of 1,600 feet and is now drilling a fifth well, all in the District of Colon, state of Zulia, south and southwest of Lake Maracaibo. Their four wells are believed to have a capacity of from 400 to 500 barrels a day. The British Controlled Oil Fields, Ltd., a British Corporation, is drilling a well in the State of Falcón, 30 miles east of the city of Maracaibo, and about 10 miles from the Caribbean seacoast. The Maracaibo Oil Company, an American corporation, organized in the autumn of 1919, has made four locations, all in the State of Zulia, with the principal locations in the Parija district. Camps have been established, and drilling material is arriving at the port of Maracaibo. The Bermudez Company, a subsidiary of the General Asphalt Company, has been drilling for petroleum near Guanoco, for the past 23 months. It is understood that after drilling 3,600 feet, three-fourths of which was in black shale, the work was abandoned.

The petroleum now being produced in Venezuela is of an inferior quality. The wells at Mene Grande, controlled by the Caribbean Petroleum Company, produce petroleum which has a specific gravity of 960, with a heavy asphalt base, and contains about 15% light material, and 85% fuel.

The geographical situation of Venezuela makes particularly interesting the various petroleum enterprises which should contribute considerably to the economic development and prosperity of the country. Furthermore, the Panama Canal is not far distant, and vessels that cross through it,—and they are daily

increasing in number,—will be able to utilize easily the petroleum of the country.

As other industries have suffered, so has the petroleum industry been seriously handicapped in Venezuela by the lack of adequate transportation facilities. There are undoubtedly many rich fields of petroleum in the interior of the country, but it is clear that they are worthless without adequate means of transporting the product to the seaports or centers of consumption. The Caribbean Petroleum Company has had considerable difficulty in transporting its product to Curacao from San Lorenzo, a difficulty due to the fact that at the narrow neck of Lake Maracaibo, there is a bar with only 12 feet of water above it. It is obviously impossible for ships of any great size to come over the bar and into the lake. All the petroleum that is shipped from the Maracaibo district at the present time is handled by shallow-draft barges, but with sufficient capital, and some good engineering, this difficulty could undoubtedly be overcome, and it would then be possible for tank steamers to come into the lake and receive cargoes of crude petroleum from the various producing points. The principal port in this section is Maracaibo, in the state of Zulia, and all petroleum for export is handled through it.

There are numerous opportunities offered for foreign capital in Venezuela in the exploitation of petroleum. As noted before, the surface has as yet only been scratched, and indications to-day point out that there are many possibilities as yet untouched.¹ Geologists say that there are signs on all sides of the existence of petroleum, but just where the big producing fields of the future will be located is difficult to ascertain at the present time.

On the 26th of June, 1920, a new law pertaining to petroleum and asphalt was enacted. A full copy of the act, in Spanish, is presented with this report. (On file in School of Foreign Service.)

The following table gives the names of the principal petroleum and asphalt companies operating in Venezuela, with capital invested:

¹ Senator Lodge, addressing the Senate of the United States on April 13, 1920, declared that what are probably the largest oil fields in the world are at the point of development in Venezuela and Colombia.

Names of Companies	Capital in Bolivares	Capital in Dollars
Caribbean Petroleum Company.....	20,782,482	4,156,496
New York and Bermudez Company (asphalt).....	8,914,932	1,782,986
Colon Development Company, Ltd.	4,747,000	949,400
Bermudez Company.....	4,319,820	863,964
Venezuelan Oil Concessions, Ltd.....	2,316,996	463,399
British Controlled Oilfields, Ltd.....	1,500,000	300,000
Total.....	B's 42,581,230	\$8,516,245

There are in addition several small local companies operating in Venezuela; these together with the above companies represent probably a total investment of Bs. 50,000,000 (\$10,000,000) in petroleum and asphalt.

It will be interesting to note at this point that during the year 1919 over Bs. 2,000,000 were paid to the Venezuelan Government by North American corporations for the right to exploit concessions.

The following table shows amounts (in metric tons) of petroleum exploited and exported during the last three years:

	1917	1918	1919	Totals
Exploited.....	18,248	24,153	22,957	65,358
Exported.....	8,650	11,101	1,084	20,835

It will be noted that production and exportation greatly increased in 1918 over 1917. In 1919, production was decreased and exportation greatly decreased in proportion to exportation of 1918. In 1918, almost half of the production was exported while in 1919 the amount exported was about one-twenty-second part of the amount produced. This was due to the fact that a greater amount was being consumed locally in Venezuela.

ASPHALT

The age of asphalt is at hand. This important mineral already has many applications in our lives, and with a greater knowledge of its possibilities, its utility will be largely extended. Asphalt is very old. It was the material that welded together the stones of the Tower of Babel; it was found on the shores of the Red Sea, and the Egyptians used it in the preservation of their dead. The etymology of the word asphalt ("α" primitive and σφαλλω, to slip) indicates its cementatory properties, and the actual ingredients of the substance are common scientific knowl-

edge. Asphalt, asphaltum, bitumen, maltha or mineral pitch-mene,—different names for the same substance,—is an amorphous, pitch-like material, black or brownish in color, and lustrous, being composed of various hydrocarbons, whose proportions vary widely according to the locality from which the material is obtained. It is a product of the decay of vegetable matter, and commonly,—perhaps always,—occurs in connection with rocks containing bituminous matter. It melts at a heat of from 195 degrees to 212 degrees Fahrenheit, and burns with a bright, smoky flame. While the pitch-lake of Trinidad, a surface a mile and a half across of pure asphaltum, is perhaps the most remarkable occurrence of this mineral in nature, still the lake of Bermudez, which covers 1,000 acres in the state of Sucre, Venezuela, is fast equaling the former in commercial importance. Asphalt is also found in the Pedernales district, in the state of Monagas, as well as on the shores of Lake Maracaibo. As an indication of the value of Venezuelan bitumen, we may cite the fact that this special variety is used to protect the tunnels of the New York subway from moisture.

The fact that Venezuela has sent 43,000 tons of asphalt to the United States in one year, is an indication of the future wealth to be derived from the systematic exploitation of asphaltum there.

At the present writing there is but one company producing asphalt,—The New York and Bermudez Company, a subsidiary of the General Asphalt Trust. This company is working a pitch lake at a point near Guanoco, in the state of Sucre, adjacent to the Gulf of Paria, in the extreme northeastern part of Venezuela. The concession held by this company is known as the Hamilton Concession,—obtained in 1886 for a duration of 99 years, and including about 960 hectares. The grade of asphalt is excellent, and in many respects better than the Trinidad variety, as it tests at a grade of 98% asphalt and 2% water and waste. The pitch lake is only 7 miles from the Rio San Juan and the company is particularly fortunate because the deep water in the river permits ocean steamers to come alongside the company's docks. A railroad, controlled by the New York and Bermudez Company, is in operation between the lake and the docks, and over this all asphalt produced in this region is transported. The transportation situation here may be con-

trusted with that in the Maracaibo district in western Venezuela, where transportation conditions are none too good.

The South American Asphalt company of Philadelphia has obtained an asphalt concession in the vicinity of Mene Grande, near the eastern shore of Lake Maracaibo, but as yet no results have been obtained.

The following table shows the capital of the New York and Bermudez Company, and the amount of asphalt exploited and exported for the last three years:

Capital of New York and Bermudez Company, Bs. 8,914,932 (\$1,782,986 American gold). *Figures in metric tons.*

	<i>1917</i>	<i>1918</i>	<i>1919</i>	<i>Totals</i>
Exploited.....	54,071	46,453	45,936	146,460
Exported.....	47,124	43,347	42,459	132,930

Official Trade Statistics of Finance Department for 1918-1919 show that during budget year, Venezuela exported more than Bs. 1,000,000 (\$200,000 American gold) worth of asphalt.

The law of June 26, 1920, referred to in the last part of section one of this report, applies likewise to asphalt. The photographs attached show several phases of the petroleum industry in Venezuela and the accompanying map shows in a general way the petroleum and asphalt concessions and the areas of production.

William H. Johnson.

CHECKS, DRAFTS, BILLS OF EXCHANGE AND TRADE ACCEPTANCES IN VENEZUELA.¹

"In the primitive ages of commerce, article was exchanged for article without the use of money or credit. This was simple barter. As civilization progressed, a symbol of property—a common measure of value—was introduced to facilitate the exchange of property. This might be iron or any other article fixed by law or by consent, but it has generally been gold or silver. This certainly

¹In the discussion of commercial paper in Venezuela, it will be noticed that very few statistics are presented. It was found by the writer that very few articles had been written on this subject and those available were lacking in statistics. The Chamber of Commerce, however, interested itself in the topic under consideration and as a result statistics are to be compiled for the year 1920.

is a great advance beyond simple barter, but no greater than has been gained in modern times by proceeding from the use of money to the use of credit.

"Commercial credit is a creation of modern times and belongs in its highest perfection only to the most enlightened and best governed nations.

"Credit is the vital air of the system of modern commerce. It has done more—a thousand times more—to enrich nations than all the mines in the world. It has excited labor, stimulated manufacturers, pushed commerce over every sea, and brought every nation, every kingdom and every small tribe among the races of men to be known to all the rest.

"All bills of exchange, all notes running upon time as well as the paper circulation of the banks, belong to the system of commercial credit. They are parts of the one great whole. We should protect this system with increasing watchfulness, taking care, on the one hand, to give it full and fair play and, on the other, to guard it against dangerous excesses."

(Speech of Daniel Webster in U. S. Senate, March 18, 1834.)

These weighty words uttered by the great Webster, more than four-score years ago, indicate the importance of the functions of commercial credit, the red blood which flows through the veins of commerce. It is of vital importance, therefore, when studying the commerce and conditions of a country to consider, as we are about to do, the credit system.

CHECKS

The system used in Venezuela is the same universal check system common to the United States and European countries. Money is deposited in the usual manner on a checking account, in return for which bank credit is received, and the depositor thereafter has the right to direct the bank to pay to the order of a specified person any part of the capital therein deposited.

In regard to the period of time during which this method of payment has been employed in Venezuela it is difficult to secure definite information, although local bankers say that its history is very short. The period of real use is not longer than the last decade.

Considering the proportion of checks devoted to financing commerce, it is necessary to divide the latter into two main parts. First: commerce with the interior of the country, in the life of which checks are practically unknown, all payments being made in gold or silver. Second: transactions of the wholesale merchants and the larger retail dealers of important cities, who make ready use of this efficient and easy method of payment.

Although no statistics have ever been collected showing the amount of checks used in Venezuela, the following reliable data was obtained:

An estimate was made in 1920 by the National City Bank of New York City, *sucursal* of Caracas, showing that about 75 per cent of the business handled by them was done through the medium of checks. It may be well to note at this point that this bank handles the business of American firms in that city together with other foreign companies who have dealings with the United States. Another estimate made by the Bank of Venezuela, taking the month of January, 1920, as an average, showed that about 50 per cent of the business transactions passing through their hands for that month was similarly completed. It may be observed that this bank is the largest and best recognized national bank in Venezuela.

From these two estimates we may draw the conclusion that the foreign branch banks handle more checks than the old established native banks of the country, due to the fact that foreign firms in Venezuela use a greater amount of checks than the native dealers. But since business with the interior of the country comprises about one-half the commerce of Venezuela, we should divide our estimates and conclude that between 25% and 37%, (31% mean average) is the proportion of checks used in the commerce of Venezuela.

The system of clearing these checks is the same as was formerly the custom of the United States, before the days of the clearing house. The banks of the interior are all branches of the four main banks of Venezuela. They handle very few checks but when occasion arises send them to the main offices for final settlement. Each day the banks gather their checks together and send them by messenger to the respective institutions on which they are drawn. In this manner the clearing takes place, currency being exchanged to settle balances. The size of the country and the proportion of checks used does not necessitate a clearing house.

LAWS REGARDING COMMERCIAL PAPER

Article No. 2 of the National Stamp Tax Law, drawn up by the Congress of the United States of Venezuela in conference assembled in the year 1915 decrees:

"Will be subject to a national tax of stamps, all documents or writings which relate to things, services, laws or legal proceedings, whose value is estimated or determined, that circulate within the interior of the Republic, or that are expedited for foreign use."

"This tax will be collected with the following tariff:

Bs. 25 to 50.....	Bs. 0.05
" 51 " 100.....	" 0.10
" 101 " 200.....	" 0.20
" 201 " 300.....	" 0.30
" 301 " 400.....	" 0.40
" 401 " 500.....	" 0.50
" 501 " 1,000.....	" 1.00"

DRAFTS AND BILLS OF EXCHANGE

Drafts and Bills of Exchange used in Venezuela may be classified and considered with reference to the following headings: International Trade and Domestic Trade.

We shall first consider the drafts used in foreign exchange. In most countries they may be classified as "clean bills" of exchange, and "documentary bills," *i.e.* those accompanied by bills of lading (full sets), invoice copy and insurance certificates. But this is not so in Venezuela, as according to the Banking Law of 1919 all drafts on Venezuela, in order to be collectible must have documentary evidence attached. At the termination of the late war many anxious dealers in North America shipped goods to Venezuelan firms, as a rule forwarding a draft to a local consul or bank for collection, only to find that it was useless without documents attached. Hence, if the merchant to whom the goods were sent chose to be dishonest, he might obtain the goods from the docks and sell them, and not be held responsible by law. Although this has very seldom occurred, it is always a wise measure for the drawer of a draft on Venezuela to acquaint himself with the banking laws of that country.

Another noticeable matter of considerable importance is the difference between the drafts drawn on Venezuelan merchants by American houses and those drawn by European houses. It is a commonly understood and most regrettable fact that the time on drafts from the United States do not exceed ninety days, while those from European countries, especially England,

will bear six months' time. This fact was brought to the attention of the writer by the Chamber of Commerce and by every representative of banks, both American and Venezuelan, with whom he consulted. The Republic has expressed its desire to maintain and increase the present trade with North America but it demands the same credit from Americans as is granted by European merchants. To-day we live in an age of credit, and Venezuela must have that credit in order to develop her commerce.

From the law quoted herein it will be seen that all drafts on Venezuela are subject to a graduated stamp tax ranging from .05 bolivares for drafts valued at 25 to 50 bolivares up to one bolivar for drafts valued at from 500 to 1,000 bolivares.

Foreign drafts in Venezuela are always drawn in duplicate (first of exchange and second of exchange), each being forwarded by different steamers to insure safety, one becoming void when the other has been paid. Drafts may be drawn to the order of a specific payee, usually the collecting bank, or they may be drawn to the order of the drawers or shippers.

The discounting of drafts and other bills of exchange has developed greatly within the last two years. Commercial liquidation has been made possible by the buying and selling of drafts in all parts of the country at the same price. Funds have been transmitted by telegraph to places where the sending of specie would be extremely costly. Commissions range from $\frac{1}{4}\%$ of 1% to 1.

Recently there has been established by private enterprise that type of bills of exchange bearing 8% annual interest, or one per cent less than the current interest, at which wholesale dealers discount the invoices of their sales in the interior. This important branch of banking has been in operation for about two years and it has been noticed that the system, in spite of the short time in existence, has gained firm foothold and been generally adopted. The operations which have been carried on by the Bank of Venezuela in this branch show the following results:¹

¹Report of Inter American High Commission, 1919.

Year	Semester	Bs.	Amount
1917	2		368,430.53
1918	1		752,118.52
1918	2		967,516.32
1919	1		1,243,576.79

As may be seen from these figures the results have been satisfactory, and the system has also produced still greater results in the development of the commerce of the Republic.

As is natural, the foreign banks recently founded, have also discounted these acceptances of commerce and it is hoped that with their great influence and the cooperation of the banks of Venezuela, this method will continue to grow in use.

The handling of drafts is at the present day perhaps the most important dealing in commercial paper observable in the banks of the country.

TRADE ACCEPTANCES

As expressed in the circular of Feb. 8, 1915, it is the opinion of the Federal Reserve Board that: "the acceptance is still in its infancy in the field of American banking. How rapid its development will be can not be foretold but the development itself is certain."

The Federal Reserve Board in its circular of July 15, 1915, defines the term "trade acceptance": "A bill of exchange—drawn to order, having a definite maturity and payable in dollars in the United States, the obligation to pay which has been accepted by an acknowledgment, written or stamped, and signed, across the face of the instrument, by the company or firm, corporation or person upon whom it is drawn; such agreement to be to the effect that the acceptor will pay at maturity, according to its tenor, such draft or bill without qualifying conditions." An acceptance, therefore, may rightly be called a time bill of exchange which passes from hand to hand like money.

This acceptance differs from what is commonly termed such in Venezuela and also from drafts. The commercial document with bill of lading attached commonly called an acceptance in that country, may be drawn at sight, or may be made payable at a certain time after sight. This enables the title of the goods covered by the bill of lading to remain vested in the seller, the

drawer of the draft, or the person to whom the bill of lading may be endorsed, until the draft is paid. Another form not in common use in Venezuela is the sight draft for collection, which is drawn on buyers previously sold on open account. It is generally used as a means of collection when ordinary means have failed to produce payment. The "trade acceptance," on the other hand, is an acknowledgment of obligation and a promise to pay it on a certain date.

Some objection has been made to trade acceptances in this country on the ground that the bidding of the banks in the market of discount, would deprive commercial houses of selling their own single-name paper. It has been proved, however, that the sale of the aforesaid paper has in no way been disturbed by the introduction of acceptances. All banks worthy of consideration have as a rule surplus capital to invest and this is usually attracted by the commercial paper of responsible houses.

The use of trade acceptances, therefore, not only does not impede but tends to increase the banking facilities of merchants.

This most important of all commercial papers has yet to be adopted in Venezuela. The first acceptances cashed in that country were handled by the local branch of the National City Bank of New York. These acceptances—twenty in number—were cashed during the last week of July, 1920. The foundation has thus been laid and it is expected that their use will grow in such numbers that they will eventually surpass all other instruments of commercial credit employed in the country.

The present need of the Venezuelan public, of the bankers and of the nation as a whole is the development of the great natural resources of the land. This, obviously, is an enormous undertaking and requires from all the nations with whom Venezuela has business dealings, especially from the United States, *credit*. And by what means can that credit be more satisfactorily granted than in that form wherein each party reaps a real benefit, by the instrument known as "trade acceptance"?

Nelson Hopkins.

COMMERCIAL TRAVELERS IN VENEZUELA

The importance of commercial travelers not only as representatives of business concerns, but also as types of a given nationality, has at last been realized and they are being treated as important factors not to be overlooked by corporations or the nation in the formulation of trade policies. They are the spokesmen of their countries and from their lips and by their actions a nation is sometimes judged not only from a business but also from a political standpoint.

The importance of this factor was realized but by few nations before the war, and the nations fortunate enough to appreciate their importance readily provided means for improving their service. The United States of Venezuela and the United States of America were among the nations which had been slow to realize the benefits that could be reaped from commercial travelers for their respective countries. However, once they had realized the necessity, Venezuela and the United States signed a treaty, effective July 3, 1920, which greatly benefited the travelers of all countries and also testified to the influence of their service.

The convention also impressed upon the business houses in both countries, and demonstrated the fact, that commercial travelers are the criterion by which concerns and countries are judged in foreign countries. Representation in overseas commerce requires men of skill and character and without these two qualities no traveler can ever succeed.

Venezuela is one of the best fields in South America for commercial travelers, as the nation is very rich and has a high standing in the financial world. The natural resources are innumerable and rich, as can be readily realized from the number of countries competing for investments and monopolies at the present time. The large amount of money in circulation and the importance of Venezuelan markets in the export trade has encouraged export houses throughout the world to send representatives to study conditions and eventually place their products in that market.

In order for commercial travelers to rightfully represent their principals they must be fully acquainted with climatic, political

and legal conditions in Venezuela. The legal requirements for commercial travelers are few and by far less stringent than the laws of other Latin-American countries. Commercial travelers coming to Venezuela are not required by law to present any document other than their passports. No power of attorney is necessary, but it is advisable to have it in case it should be required in business transactions. A letter from the home office of the traveler or from some well established exporting or importing house is not necessary but advisable as a medium of introduction to the prospective buyers.

The recent convention signed between the United States of Venezuela and the United States of America has slightly changed previous customs. The object of the convention was that both countries might encourage commercial relations and increase business by facilitating the activities of commercial travelers. The convention provided for a license in both countries but as yet that provision of the convention has not been complied with and the prospects are that the old custom requiring no licenses will remain in effect.

There are no baggage restrictions, but, as the means of travel are limited in some parts of the country, it is advisable that the traveler confine his baggage to as small a trunk as possible.

In customs treatment of samples it is necessary to follow the provisions of the recent convention:

1. All samples which have no commercial value shall be admitted free of duty.
2. All samples shall be considered without value when they are stamped or rendered unusable.
3. Merchandise having commercial value shall be admitted provisionally, security having first been given for the customs duties and with the understanding that they leave the country within a period of six months.
4. Duties shall be paid on that part which shall not be exported.

Means have been provided at all principal ports in Venezuela for the immediate clearance of samples so as not to delay the commercial travelers. Samples usually receive consideration immediately after personal baggage and in some cases they are first.

In connection with advertising matter it is interesting to note that catalogues are admitted free; but the term is strictly construed. Pamphlets and advertising matter in general, including

calendars, are dutiable at \$1.37 per hundred pounds gross weight. Advertising matter with lithographed or printed designs not bearing the name and legend of the advertiser is dutiable at \$17.13 per hundred pounds gross weight.

Practically all exporting countries are transacting business with Venezuela at the present time. America ranks first with Spain and England second and third respectively. Competition is keen, due to the fluctuation of the foreign exchange and the manufacture of goods. The American commercial travelers are excellent salesmen and thoroughly understand their products. The appearances, personalities and ways of the Americans are very popular in Venezuela, but the English and German travelers are very efficient and have considerable influence.

Before a commercial traveler can successfully sell goods in Venezuela he must understand Spanish. It is necessary to know not only the words but also the construction of the language. Many commercial travelers have failed in their attempts to sell goods due to the fact that they possessed only slight knowledge of the language, which is not alone a fault of the travelers but also of the houses they represent. The German nation was the first to realize that the knowledge of Spanish was indispensable to commercial travelers; knowing that this essential was the basis of business success in South America, the various German concerns prior to the war established schools where they instructed their agents in the language and customs of the countries to which they were to be sent. Offices were opened in the principal cities of various countries and agents sent to them where they remained for fully a year learning the business customs and language, and after mastering both they were given positions as commercial travelers. Consequently the Germans successfully entrenched themselves in numerous countries and were enabled to compete with every advantage in export trade. But many American travelers have neglected to learn Spanish, preferring to talk their own language whenever possible.

The national customs of Venezuela are naturally different from those of the United States and other countries. Business customs, too, are different and so are the customs of the home. It is easy to become used to them and one *must* know them in order to transact business. In some parts of the country

business would seem to be a secondary consideration, social life ranking first, which of course is contrary to the habits of thought in the United States and many European countries.

It is advisable, too, that we consider the variations in climatic conditions in Venezuela and the effect of such conditions on the demand for goods in general. In order intelligently to understand the situation it will be necessary to know the climatic features of each important city.

Caracas, the capital of Venezuela, has a splendid climate, invigorating and refreshing, somewhat similar to that of Los Angeles, California. The days are rather cool with the exception of mid-day which, of course, is very warm. Light-weight clothing is worn during the day while at night medium-weight clothing is preferable. As Caracas is the capital, there is a steady demand there for fashionable clothing. Aside from clothing, many other products are in demand such as drygoods, machinery of all descriptions, autos, hardware, etc. The same products are generally needed in all other cities. The intensity of the heat in Valencia, Maracaibo, Maracay and Ciudad Bolívar allows only light-weight clothing to be worn.

Commercial travelers should acquaint themselves with conditions in all cities and must carefully study the demands for their products. The market for machinery is greater in Caracas than any other city in Venezuela. The demand for farming implements is greater in Valencia than elsewhere. Mining machinery is needed in Maracaibo and surrounding cities where the various mines are located. Dry goods are in demand throughout the country districts. Regardless of the size of the city one can find American goods everywhere. The quality of the goods outranks that of other countries and, moreover, there is a strong feeling of friendship on the part of the Venezuelans in favor of America and American goods.

One of the frequent complaints uttered to American commercial travelers is directed against American methods of packing goods for shipment. During the last two years the majority of American exporting houses sending goods to South America have neglected proper packing with the result that the goods are often received in woefully poor condition. Although a small item, it is of prime importance from the standpoint of the importer and a hindrance to the success of commercial travelers.

We have enumerated the legal requirements and personal duties of commercial travelers and have also mentioned the market. It will be helpful to point out the means of transportation and communication in Venezuela. Companies that have never sent commercial travelers to Venezuela have a wrong impression as to the means of communication and transportation. The roads are excellent and in some cases surpass those in the United States and other countries. The railroads, although not as modern as the roads in the United States or Europe, are well capable of carrying passengers and freight up and down the high mountains. In some cases in Venezuela, a train will ascend from sea level to an altitude of 12,000 feet. There is herewith submitted a complete list of the railroads, showing destinations and number of stations. There is also attached a complete list of the roads showing distances between principal cities en route, the outline further showing the altitude of each city.

[Railroad facilities may be found enumerated on pp. 69-70.]

The following list of the roads and highways in Venezuela show the distances between cities and the altitudes of the respective highways:

HIGHWAY FROM CARACAS TO VALENCIA

	<i>Distance (Kilometers)</i>	<i>Altitude (Meters)</i>
Caracas (Plaza Bolívar).....	0	920.00
Antimano.....	9.30	937.00
Los Adjuntas.....	14.10	970.00
Les Teques.....	24.30	1,168.00
Los Teques (Llano de Miquilen).....	25.30	1,172.00
Guayas.....	44.30	470.00
Las Tejerias.....	46.80	500.00
El Consejo.....	57.50	576.00
La Victoria.....	65.60	576.00
San Mateo.....	75.20	479.00
Turmero.....	83.70	564.00
Maracay.....	97.90	450.00
San Joaquin.....	113.70	440.00
Guacara.....	122.80	430.00
Los Guayos.....	141.30	440.00
Valencia.....	148.80	470.00

HIGHWAY FROM CARACAS TO LA GUAIRA

Caracas (Plaza Bolívar).....	0	920.00
Agua Salud.....	2.50	935.00
Catia.....	4.00	960.00
Blanden.....	7.15	839.00
Cantinas.....	9.23	871.00
Pauji.....	15.20	1,004.00
Las Trincheras.....	16.26	941.00
El Copey.....	19.70	770.00
Civucutti.....	26.38	475.00
Manonga.....	29.38	215.00
Marquetia.....	32.38	40.00
La Guaira.....	34.78	8.00

HIGHWAY FROM CARACAS TO GUATIRO

Caracas (Plaza Bolívar).....	0	920.00
Quebrada Honda.....	3.15	880.00
Sabana Grande.....	4.15	870.00
Chacaito.....	4.90	860.00
Los Ravelos.....	5.90	870.00
Chacao.....	6.90	880.00
Los Dos Caminos.....	9.25	860.00
Petare (Plaza).....	12.50	840.00
La Cortada del Respiro.....	18.00	960.00
Quintana.....	23.00	761.00
Caucaquita.....	25.00	690.00
El Agaucate.....	26.50	641.00
Ochoa.....	29.80	563.00
Mampete.....	35.00	489.00
El Cercado.....	38.50	443.00
El Tamarindo.....	39.70	425.00
Guarenas.....	45.35	396.00
Guatire.....	52.35	335.00

HIGHWAY FROM CARACAS TO OCUMARE DEL TUY

Caracas (Plaza Bolívar).....	0	920.00
Puerto de Hierro sobre el Guairel.....	1.75	879.00
El Valle (Plaza).....	5.35	889.00
Coche.....	8.55	901.00
Bermudez.....	10.25	920.00
Gato Amarillo.....	11.65	908.00
Bejarno.....	14.15	
Prim.....	16.75	1,005.00
Cortado del Guayabo.....	18.15	1,150.00
Maitana.....	24.65	1,229.00
Maturín.....	36.50	669.00

Buena Vista.....	38.20	736.00
Charallave.....	41.50	692.00
Cantarrana.....	52.00	307.00
Vallecito.....	61.50	210.00
Ocumare del Tuy.....	70.20	210.00

HIGHWAY FROM MARACAY TO OCUMARE DE LA COSTA

Maracay (Alcabala).....	0	425.00
El Diamante.....	22.30	431.00
El Limon.....	5.30	453.00
La Quesera	6.00	460.00
Guamitas.....	14.00	720.00
Guacamauyas.....	17.40	871.00
Piedra de Tranca.....	22.00	1,045.00
Rancho Grande.....	23.00	1,085.00
El Portachuelo.....	24.00	1,120.00
Periquito.....	30.00	845.00
El Salto.....	34.00	660.00
Tio Julian.....	39.00	405.00
La Tulla.....	44.30	143.00
Cansa Macho.....	45.00	123.00
Aponto.....	47.00	88.00
Pueblo Nuevo.....	52.60	40.00
Ocumare de la Costa.....	53.30	30.00
Caserio de la Boca.....	57.90	3.00
Puerto de Ocumare de la Costa.....	58.70	2.00

HIGHWAY FROM LLANO CAGUA TO SAN FERNANDO DE APURE

Cagua.....	0	472.00
Ciudad de Cura.....	20.00	556.00
San Juan de los Morros.....	45.00	
Uverito.....	76.00	
Parpara.....	83.00	556.00
Ortiz.....	94.00	
Los Dos Caminos.....	100.00	
Morrocoyes.....	120.00	
El Rastro.....	153.00	
Calabozo.....	175.00	
San Fernando Apure.....	334.00	73.00

HIGHWAY FROM VALENCIA TO PUERTO CABELLO

Valencia (Plaza Bolívar).....	0	470.00
Camoruco.....	1.00	478.00
Mayuanagua.....	7.80	490.00
El Retobo.....	9.80	
Barbula.....	12.30	
La Entrado.....	15.30	595.00
Las Trincheras.....	20.80	360.00

El Cambur.....	30.80	70.00
Taborda.....	40.30	
El Palito.....	42.30	3.00
Puerto Cabello (Plaza)	53.60	1.00

HIGHWAY FROM VALENCIA TO NIRGUA

Valencia (Plaza Bolívar).....	0	470.00
Bejuma.....	52.25	662.00
Miranda.....	69.50	625.00
Salorn.....	85.25	768.00
Nirgua.....	100.50	793.00

HIGHWAY FROM VALENCIA TO SAN CARLOS

Valencia (Plaza Bolívar).....	0	470.00
Tocuyito.....	17.00	450.00
Tinaquello.....	50.00	423.00
El Tinaco.....	78.75	143.00
San Carlos.....	98.75	150.00

HIGHWAY CENTRAL FROM THE TACHIRA TO SAN CRISTOBAL

Estacion Tachira del Gran.....	0	370.60
Colon.....	18.00	800.00
Angostura del Lobaterita.....	27.30	815.00
Galtineros.....	34.56	1,150.00
Putachulo de la Paja.....	38.58	1,257.00
Palo Grande.....	55.20	1,525.00
San Cristobal.....	76.20	825.00

HIGHWAY FROM CUMANA TO CUMANACOA (IN CONSTRUCTION)

Cumana.....	0	16.00
Puerto de la Madera.....	7.00	45.00
Los Ipures.....	12.00	105.00
Mochima.....	20.00	121.00
Cedeno.....	36.00	166.00
San Fernando.....	48.00	212.00
Rio Arenas.....	52.00	215.00
Cumanacoa.....	56.00	230.00

HIGHWAY FROM BARQUISIMETO TO EL TOCUIYO

Barquisimeto.....	0	556.00
Quibor.....	39.00	720.00
El Tocuiyo	69.00	617.00

HIGHWAY FROM EL PAO TO BARINAS

El Pao.....	0	160.00
San Carlos.....	57.12	150.00
Acarigua.....	133.12	186.00

Ospino.....	179.74	184.00
Guarne.....	230.75	183.00
Barinas.....	318.15	180.00

HIGHWAY FROM CHARALLAVE TO SAN CASIMIRO

Charallave.....	0	307.00
Cua.....	13.00	240.00
San Casimiro.....	39.50	

HIGHWAY FROM SAN FERNANDO DE APURE TO SAN JUAN

San Fernando.....	0	730.00
Achaguas.....	78.12	83.00
San Juan.....	141.25	

HIGHWAY FROM SAN FELIX TO TURMERO

San Felix.....	0	20.00
Apata.....	57.50	293.00
Guasipato.....	160.00	
Turmero.....	220.00	

HIGHWAY FROM CORO TO CUMAREBO

Coro.....	0	1,798.00
La Vela.....	15.00	120.00
Cumarebo.....	43.00	13.00

HIGHWAY FROM BARQUISIMETO TO CARORA

Barquisimeto.....	0	566.00
Banco de Baragua.....	45.00	
Rio Tocuyo.....	86.00	
Carora.....	116.00	409.90

HIGHWAY FROM TURJILLO TO MOTATAN

Turjillo.....	0	800.00
La Plazuela.....	4.00	592.00
Pampanito.....	14.00	385.00
Motatan.....	36.00	324.00

HIGHWAY FROM BARCELONA TO SOLEDAD

Barcelona	0	13.00
Cuataquiche.....	29.60	
San Mates.....	57.60	153.00
Aragua de Barcelona	102.40	110.00
La Canoa.....	285.00	
Mouchal.....	308.60	
Campo a Legra.....	332.00	
Soledad.....	359.30	

HIGHWAY FROM LAS ADJUNTAS TO COLONIA TOVAR

Las Adjuntas.....	0	970.00
Macarao	3.00	1,000.00
Palo Negro.....	6.30	
Alto de No Leon.....	19.30	2,100.00
Alto de Lagrenazo.....	25.30	2,330.00
Colonia Tovar.....	32.30	1,802.00

HIGHWAY FROM LOLONIA TO EL CONSEJO

Colonia Tovar.....	0	1,802.00
Portero Perdido.....	3.00	1,680.00
Topo Carrizalito.....	9.00	1,910.00
Caserio Quebrada.....	19.00	1,590.00
El Consejo.....	25.00	576.00

HIGHWAY FROM LA COLONIA TO LA VICTORIA

Colonia Tovar.....	0	1,802.00
Alto de Launita.....	5.50	1,680.00
Alto Gabante.....	10.00	1,910.00
El Pinto.....	20.00	1,756.00
Hacienda.....	22.00	
Hacienda Sabaneta.....	23.40	600.00
La Victoria.....	27.90	576.00

The charge for freight on the railroads is rather high, \$.58 per hundred pounds, and the passenger rate averages 10c. per mile. Hotel accommodations are not scarce nor are they excessive in prices. Statistics show that European commercial travelers can live on \$3.50 to \$4.00 per day while it costs the average American \$7.00 per day. The hotels are not as modern as in the States but are very clean and suitable. The food is exceptionally good and wholesome.

The means of transportation by automobiles are as modern as those of some of the largest cities of the world. The majority of the cars are high priced and high powered as they are designed to climb to high altitudes in the surrounding mountains.

It may be stated that the financial condition of Venezuela is superior to that of any other country in Latin-America with the exception of Argentina. Her public debt has been decreased and her financial standing, although established comparatively few years ago, is very high.

Germany, France and England prior to the war practically had a monopoly on the Venezuelan trade, due largely to the long credits offered by them to the Venezuelan merchants. Before

the war the above mentioned countries extended credit from four to nine months. The policy has changed now and the merchants are satisfied with from three to four months' credit. The reduction of the long term credit is also due to improved banking methods, and it is expected that trade will soon reflect the change when conditions are settled.

At the present time many of the exporting houses in the United States are dealing on either a 90 day sight draft or a 120 day draft dated New York. This system has been approved by the Credit Association of America.

Since practically every exporting or importing country is represented in Venezuela at the present time by bank affiliation, the average commercial traveler encounters very little difficulty in having his drafts or letters of credit honored. The difference in rate of exchange is an important item and should be carefully considered by all commercial travelers upon arriving in Venezuela. The exchange fluctuates slightly, the rate now being \$5.35. The standard of value is the bolivar, valued at \$.193, American gold.

One of the most exasperating difficulties confronting all commercial travelers is their ignorance of the metric system. The system has always been in effect here and must be learned in order to transact business.

The customs duties of Venezuela are very high, more so than in many other Latin-American countries. The high protective tariff has been a means of increasing the revenue of the country but on the other hand it has made it practically impossible for the poorer classes of Venezuela to purchase foreign made goods. Another purpose of the high protective tariff is to protect home industries but the fact remains that the manufacturers in Venezuela can not supply the demand. In many cases the tariff is so high that it is inadvisable for outside merchants to attempt to do business there. For example, it would be very poor business judgment for a shoe salesman to attempt to sell shoes in Venezuela as that industry is well protected by the tariff. The same applies to many other industries. Appeals have been made to the Venezuelan government to lower the tariff but as yet it has not complied with the request. Tobacco is another protected industry. American cigarettes in Venezuela retail for as much as three times the price in the States. The reduction of the

tariff will open a greater field for all commercial travelers and will mean an increased foreign trade for Venezuela.

Before concluding this report it may be useful to say a word regarding the present opportunities for commercial travelers in Venezuela and the attitude of merchants in that country as to American travelers. The writer has visited Maracay, Caracas, Valencia and La Victoria, and after talking with business men reached the conclusion that American commercial travelers are considered among the best and are most welcome. The only complaints heard were that American concerns would not allow more than a three months' credit and that the packing of goods for shipment has been deplorable. The Englishman with his great variety of goods such as woolens, cottons, crockery and with facilities for long credit has gained the confidence of the merchants and has built up considerable trade throughout the country. Germany prior to the war also had considerable trade with Venezuela due to their banking facilities and diversity of products. Before the war, for example, Germany had a monopoly on the dye industry and the toy industry and was thus able to establish herself successfully in Venezuela. American business houses prior to the war had not realized the importance of Venezuelan trade until the establishment of the International High Commission, an organization which has brought South America and North America into closer contact and thus assured friendly relations.

The old proverb has it that "Commercial travelers are here to-day and away to-morrow." As the proverb is undoubtedly true, the only way to leave a favorable impression with all is to smile, be courteous, considerate and clean, not only in business transactions but in morals as well. The possession and exercising of these social qualities will be of inestimable advantage not only to commercial travelers but to the good name of the United States.

W. J. Donnelly.

PRESENT FOREIGN INVESTMENTS IN VENEZUELA
AND
FUTURE OPPORTUNITIES FOR AMERICAN CAPITAL

PART I

PRESENT FOREIGN INVESTMENTS IN VENEZUELA

In a report on foreign investments in Venezuela, the public debt, at least the external foreign debt, ought not, perhaps, be included as an investment. For two reasons, however, it deserves consideration, first, because of the sum involved and the manner in which the government meets this obligation; and secondly, as a barometer of other nationals' interests in Venezuela.

PUBLIC DEBT

The public debt of Venezuela is a topic important enough in itself to warrant consideration in a special report, hence we shall concern ourselves here solely with the *external* foreign debt. Its history is interesting but long and involved and since our interest as far as this report is concerned is not in the debt itself but in the debt as a factor in influencing investments in Venezuela, we shall confine ourselves solely to a statement of the following statistics from the Report of the Minister of Finance:¹

	June 30, 1919	December 31, 1919
1. Deuda Nacional del 3% anual por Convenios Diplomaticos.....	Bs. 9,208,291.61	Bs. 9,088,291.61
2. Certificados Provisionales (Españoles).....	1,600.00	1,600.00
3. Deuda Diplomatica del 3% annual de Venezuela, Emisión de 1905.....	84,511,755.00	80,295,615.00
4. Deuda Diplomatica sin interes.....	23,769.12	
Total.....	Bs. 93,745,415.73	Bs. 89,385,506.61

The national debt of 3% is divided between France, Spain and Holland in approximately the following proportions: France, 86%, Holland, 11% and Spain, 3%.

¹Cuenta de Gastos del Departamento de Hacienda, July 1, 1919, and January 1, 1920.

The second item of 1,600 bolivares is held in the Venezuelan Treasury pending a settlement as to whom the debt should be paid.

The 3% diplomatic debt is held by English and Germans, while the diplomatic debt without interest due to France was entirely paid at the expiration of December, 1919.

The obvious conclusion to be drawn directly from the above statistics is that Venezuelan public finance is in good hands and that the country is in a flourishing condition as witness a payment of nearly \$1,000,000 on the foreign debt in six months. Under such conditions, foreign investors may feel reasonably sure that capital may be invested here both securely and profitably.

FOREIGN BANKS

Closely allied to the above topic is the subject of foreign banks. When foreign capital first finds its way into a new country it is inevitably followed by a branch of some large home bank, a fact as true in Venezuela as elsewhere. In Caracas we find The National City Bank of New York, the pioneer American bank in foreign fields, serving not only American firms but many Venezuelans in their business dealings with the United States. The National City Bank made its initial bow to the city of Caracas in 1917. American interests are further represented in Caracas by a branch of the Mercantile Bank of the Americas which has a subscribed and paid up capital of Bs. 2,600,000.

Canadian interests are represented in Venezuela by the Royal Bank of Canada with a paid-up capital of Bs. 88,400,000 and a reserve amounting to a like sum. English interests are served, to a great extent, by The Commercial Bank of Spanish America, Ltd., which is affiliated with the Anglo-South American Bank, Ltd., and has a capital and reserve amounting to Bs. 200,000,000. This is the most recent foreign banking institution to appear.

The Dutch have here a branch bank of the Hollandsche Bank Voor West-Indie, which has a subscribed and paid-up capital amounting to Bs. 2,000,000, and lastly we have the Deschanel International Corporation de Venezuela of French origin which has a capital and reserve of Bs. 1,260,000. Besides doing a banking business, this corporation is itself interested in the importing and exporting business. From the above facts we

may see that the investor will not lack any of the banking facilities so essential in a foreign field.

PUBLIC UTILITIES

Under the caption of "Public Utilities" may be considered street railways, telephones, telegraph, gas and electric light and power companies. The English seem to have a monopoly on most of the public utilities in Venezuela, but whether or not this is an advantage either for the English or Venezuelans is matter for speculation. One of the leading American governmental officials in Venezuela on being interviewed by the writer said: "Nearly all the public utilities are in the hands of the English and I am glad they are being operated by English and not American companies, for the service is poor and the people are discontented." From the writer's observation, this is indeed true in the city of Caracas, for the street railway company (English) uses very ancient cars, each capable of holding only twenty-four people, and there are turn-outs about every two hundred yards which give the passengers opportunity to reflect on the service while waiting for the other car to come along. Data as to the investment and earnings are lacking but as a general conclusion it may be stated that there is much room for improvement in all these fields. For example, the only cable in Venezuela is in the hands of a French company and in order to send a message to the United States it is necessary first to relay it to Haiti and thence to the United States which occasions unnecessary delay and considerable expense in commercial transactions. (See special report on *Radio Communication*.)

OTHER INVESTMENTS

In Venezuela it is the ordinary thing to find American goods on sale in most of the stores and agents for different classes of American goods throughout the country. These agencies are mainly in the hands of established Venezuelan firms but in Caracas there are fewer Americans acting as agents for many of the best known American products. Here too is the Caribbean Petroleum Company with important oil and asphalt concessions along the shores of Lake Maracaibo. For the year 1919 the output of the company was 45,913,840 metric tons of oil on which the government receives a tax of two bolivares a ton. English

capital has of late been used increasingly in buying land in the interior "llanos," for the development of the cattle industry. At the present writing American capital is being diverted to the same purpose, as, with the development of transportation facilities, live stock promises to be of utmost importance because of an increasing world population and a greater demand for food.

PART II

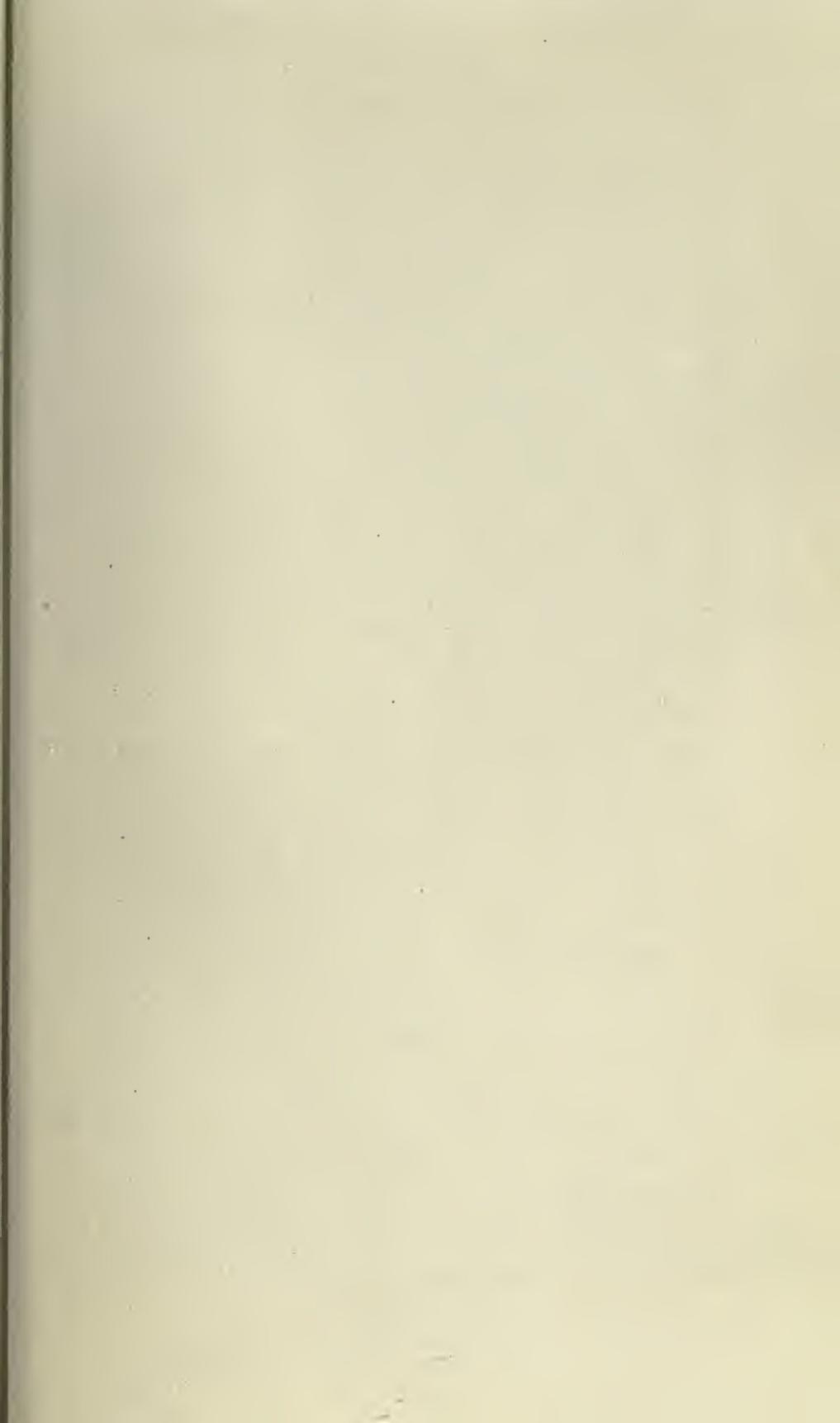
INVESTMENT OPPORTUNITIES IN VENEZUELA

Before entering upon a discussion of the future opportunities for investment in Venezuela, two outstanding features need to be emphasized as factors influencing the investing of money in Venezuela. They are: 1st, A realization of the fact that Venezuela needs immigration and needs it badly to develop her rich natural resources, as her population has been almost at a standstill for the last ten years. The other crying need is *foreign, not native, capital*.

Venezuela, a country larger than Germany, at present maintains a population estimated at 2,800,000. The greater proportion of the population is found in six or eight large cities in the north. Around the Orinoco and south of it lie thousands of acres of rich virgin soil and, strange to say, mines of coal, iron, copper, and gold which are not worked due to lack of transportation facilities.

Here, then, lies the prime investment of the country, a proper system of railroads to make these rich natural resources available. These projects have already been discussed widely, and Doctor Vicente Lecuna, President of the Bank of Venezuela, considered the most prominent man in the country, named railroads as the greatest need of the country and the best investment for foreign capital.

Here we may be permitted to digress for a moment to point out an unique advantage which Venezuela holds in regard to commerce with the United States. Due to the opening of the Panama Canal, Venezuela can ship as easily and quickly to the western part of the United States as to the eastern and thus effect a considerable saving on trans-shipment of goods by rail across the United States. Further, the proposal holds much





VENEZUELAN STUDENTS DEPOSITING WREATH BEFORE STATUE OF
GEORGE WASHINGTON, CARACAS, JULY 4, 1920



GEORGETOWN STUDENTS DEPOSITING WREATH AT THE TOMB OF
SIMÓN BOLÍVAR IN THE PANTHEON, CARACAS, JULY 4, 1920

favor here to-day for the introduction of a steamship line to Saint Louis which would be quicker and cheaper than the present line to New York. Thus we see that three direct lines might be maintained from the States to Venezuela, one from some western port via the Canal, a second from Saint Louis which would transport the goods to the Middle West; and, lastly, an expansion of the present service from New York.

Here too a word would not be amiss relative to the present service from New York. The Red D Line maintains a fleet of four passenger ships, the largest being of three thousand tons and the time consumed from New York to La Guaira usually nine days. The need for more and better ships is obvious. With improved service, there is no reason why Americans in search of a cool spot to visit in the summer time should not come to Caracas situated, as it is, three thousand feet above sea level in a mountainous country and with a wealth of that beautiful scenery found only in the tropics.

PROPOSED RAILROADS

1. *San Felipe to Puerto Cabello.*

The first line to be considered would run from San Felipe to Puerto Cabello. Puerto Cabello already occupies a prominent place in the economic life of Venezuela, being one of the principal ports and a port of call for all American and European steamers. The proposed railroad would be approximatley eighty kilometers in length and would pass through one of the best cacao regions of Venezuela. This section is especially favored due to the trade winds which blow across it, giving this locality a special aptitude for the raising of a superior brand of cacao; it is from this section along the coast that the best cacao in the world comes. At present, due to the lack of transportation facilities, it is useless to develop the region, for the product can not find its way to market. A railroad here would serve to make available a huge, rich territory for cacao which could then find its way into the markets of the world.

2. *San Cristobal to Valencia.*

The second proposed railroad is one from San Cristobal to Valencia passing by way of Barinas. Considerable construc-

tion work would be necessary as this line would be about 615 kilometers in length, through rich, fertile lands which at present lie untouched due to lack of communications with the outside world. The railroad would lie over flat level land except for a stretch of approximately fifty kilometers over the mountains.

All along the southeast of this road lies fertile table land suitable for the raising of cattle. In fact, the llanos extend all along the route while to the north stretches the coffee producing section of Venezuela. Near Barinas there are large cacao and tobacco plantations but they are not developed to any appreciable degree nor to their real capacity, due to the lack of proper forwarding agencies. Furthermore, the opening up of this region by railroad would give great impetus to further settlement and investment in the interior, for it is an observed fact that after the railroad come cities and civilization. The situation is similar to that existing in our own history when, simultaneously with the building of the trans-continental railroads, caravans pushed their way westward and have left as their heritage the great cities of the West. This lesson from our own history should not go unnoticed, for the same opportunity exists in Venezuela and to the pioneers will come rewards similar to those reaped by our own dauntless settlers.

Even now before the building of this railway, English companies have acquired large concessions of territory near the proposed line. This is only a start and soon they will be extending their concessions and if Americans do not act before it is too late they will find the choicest land already taken. Most of the English concessions lie in the Apure district, the best cattle land in Venezuela, whose only disadvantage lies in the fact that the land is frequently inundated by the overflowing of the waters of the Apure River. The value of the land, of course, depends on its fertility and the availability of water, but it may be stated that a square league, that is, twenty-five square kilometers (9 square miles), varies in price from two thousand to five thousand bolivars, or from \$400.00 to \$1000.00. And this for land in the best cattle section of Venezuela! Among other sections of the country well suited for cattle raising are the llanos of Marturin, extremely fertile lands, swept by the trade winds. As they are situated in the northwestern part, shipment could be made through the port of Guanta which, it is predicted, will be the

future main port of Venezuela. In this same vicinity lie the llanos of Barcelona, even closer to the port high tablelands, but somewhat dryer than the llanos of Maturin. To develop this land, a railroad from Ciudad Bolívar, a port used now on the Orinoco and Barcelona, is necessary. This would connect with the present line from Barcelona to Guanta, thus connecting two important ports and serving a rich cattle section, necessitating the building of only three hundred kilometers of road.

Further west, running parallel to the last mentioned line, lies a region between San Fernando and Cagua, and as Cagua is already on a railroad line, shipments can be made either to Puerto Cabello or La Guaira. The llanos of Guarico which lie in this region are high table lands but with numerous oases which provide sufficient water for the cattle. At times, parts of this region are subjected to inundation which makes the land very rich and fertile. This is another section merely waiting the day when capital will develop railroads. It may not be amiss to remind American investors that the English have already secured three large concessions along this route.

Another important consideration deserving of mention is that along this route lie coal mines which have not been developed due to lack of transportation facilities. These mines would serve as an easy means of procuring fuel for the road.

3. *Limon-Castilletas.*

Another railroad projected is that from Limon to Castilletas. About Limon are rich oil fields now being developed but which are handicapped by the fact that Maracaibo, the present shipping port for oil, lies inside the Gulf of Maracaibo and only small ships can enter due to deposits which are continually filling up the strait. Maracaibo is not always available for small ships and a line from Limon to Castilletas, which is a port lying outside the bar and on the shores of the Gulf of Venezuela, would solve the present difficulty and, besides, effect a saving of over two hundred kilometers in sailing distance.

4. *Yuruari-Orinoco.*

The last important railroad which the country needs is one from the Yuruari River to the Orinoco. About the region of Yuruari are rich gold mines which are only worked to a small

extent and in a very primitive way due to the impossibility of bringing the necessary machinery to the mines. Not only would a line connecting the two rivers do this but it would also pass through rich grazing lands. Then, too, only a short distance to the east are the iron mines of Imataca, still unworked due to the lack of transportation facilities.

Railroads are, then, the key to a double prosperity—prosperity for the foreign investor and an opportunity for Venezuela to take her proper place in the markets of the world. It seems inconceivable that here, close at hand, potential factors of great wealth are lying dormant awaiting the magic touch which in this case must come from the railroad, the forerunner of civilization. Dipping further into the future, we can see other results which would quickly follow the opening up of this great country,—an increase in immigration, consequently a larger market in which to buy and sell. And whom should it benefit more, the United States close at hand, or Europe a week further away! Time alone will decide, but this point can bear emphasis again and again that now is the propitious hour when, due to the recent war, American goods are being sought for in increasing volume by Venezuela. But England is already in the field and Germany is striving hard to regain her lost place in the sun. It behooves all of us, therefore, to strive with might and main to consolidate the position in world commerce which was thrust upon us and there lies no better path to that end in South America than along iron rails constructed by American capital in the sister Republic of Venezuela.

Joseph P. Quinlan.

FOREIGN TRADE OF VENEZUELA
AND
AMERICAN GOODS IN VENEZUELA

PART I

FOREIGN TRADE OF VENEZUELA

Where there is population, industry and resources, there will be international trade. Venezuela is lacking in population and her industries are scarcely in the first stages of development, but she possesses natural resources which command a world market. The three essentials of commerce are: (a) transportation, (b) freedom of labor and exchange, (c) security; and at the root of all trade must be moral integrity.¹

Until the beginning of the present administration, Venezuelan commerce has been fitful and unsatisfactory. Under the Gomez régime, however, the country has taken great strides forward, especially in internal development and in the establishment of a national credit of which it is justly proud. As a result, her foreign commerce, except for a slight falling off at the beginning of the war period and a rather sharp decline in 1918, has shown a steady growth.

Transportation gives commodities and persons "*place utility*" and until the establishment, recently, of a splendid system of motor roads, as yet but little used, Venezuela has been lacking in this respect. Natural resources, in the absence of local manufacturers, become worthless without means of transportation to the coast for export. In 1908 there existed but thirteen railroads in Venezuela with a total mileage of 540 kilometers² connecting a few of the richest and most accessible regions with the coast, and the year 1920 finds no increase either in number of roads, or in total mileage. Fertile inland regions are still without outlet for their products and vast mineral wealth and forest resources lie untouched, awaiting transport facilities.

The Venezuelan coast line extends for 1876 miles and possesses

¹Ency. Brit., "Commerce."

²Central Executive Council, International High Commission, "Venezuelan Financial and Economic Conditions," and Ency. Brit., "Venezuela."

in all 32 ports of various sizes, more than sufficient to handle the potential commerce of the country. The amount of commerce passing through these ports, though steadily mounting, has in no one instance approached the limit. These ports have developed in spite of onerous tariff regulations and other handicaps, because the demand for the riches possessed by the Republic in the shape of natural resources is too insistent to be checked by natural or artificial barriers.

The principal industries are agricultural and pastoral, the most important agricultural products being coffee, cacao, sugar, tobacco, corn and beans.¹ Manufactures are few in number and those existent for the most part flourish mainly by the help of severe tariff discriminations. These manufactures include the following lines: beer, hats, candles, ice, chocolates, matches, cigarettes, boots and shoes, cotton goods, drugs and medicines.

There are several electric plants in Venezuela and a few factories for the manufacture of agricultural implements. On the whole, however, Venezuelan manufacturing is still in its infancy and the country must depend on importation for nearly all her manufactured wares; this flow of importation is conditioned by the nature of the population whose purchasing power, except for the gentry of Caracas and a few of the more advanced cities, is limited, in great part, to the barest necessities of life.

On the whole, the World War had a beneficial effect on Venezuela's foreign commerce. At the outbreak of the war, Europe withdrew her shipping and Venezuela's foreign commerce was hard hit. The year 1914 witnessed a sharp decline, but gradually in the ensuing years the figures mounted until in 1917 they were nearing the pre-war totals, only to fall off sharply in 1918. Advanced statistics for 1919, with no return from the Aduana of Maracaibo, indicate a phenomenal increase both in imports and exports for 1919 over the previous year. The value of Venezuela's total foreign commerce by years, in millions of bolivares, follows:²

¹International High Commission, "Zones of Venezuela."

²"Alta comisión internacional," Sección Venezolana, Caracas, 1919; "Memoria de Hacienda," 1919.

1913.....	Bs. 246
1914.....	184
1915.....	191
1916.....	228
1917.....	239
1918.....	179
1919.....	315

In 1917 the imports into Venezuela from the United States amounted to 70% of her total imports. For the same year, Great Britain's share of import trade was 16% and all others 14%. The same for 1918 follow:¹

United States.....	60%
Great Britain.....	30%
Others.....	10%

In 1917 the exports from Venezuela were apportioned as follows:

United States.....	55%
Great Britain.....	11%
Others.....	34%

The same for 1918 follow:

United States.....	45%
Great Britain.....	17%
Others.....	38%

Incoming shipments by parcel post for 1917 amounted to Bs. 3,837,916 (\$740,719.00), the principal articles coming by this method being drugs, medicines, jewelry, watches, hats, cotton goods, silks and rubber manufactured goods.

IMPORTATION BY PARCELS POST

Source	Year 1917	Year 1918	Year 1919
U. S.....	\$350,339	\$292,423	(not available)
France.....	228,559	56,648	
Italy.....	76,127	59,923	
United Kingdom.....	61,626	94,258	
Spain.....	19,570	3,595	
Others.....	4,498	20,100	
Total 1917.....	\$740,719	\$524,947	
Total 1918.....	524,947		
Decrease.....	\$215,772		

Although the foreign trade of Venezuela actually decreased during the war, the country was indirectly benefited by the

¹Bureau of Foreign and Domestic Commerce, "Venezuela."

turning of the energy of the nation to the development of natural resources, which, in turn, must mean in due course an increased surplus of production for export. Furthermore, the shortage of shipping during the war necessitated the use of existing bottoms to the fullest extent with a consequent effort towards the improvement of terminal facilities and an increase in the speed of loading and unloading cargo carriers. As a result of this feverish war activity, a number of Venezuelan ports now possess modern equipment for speedy handling of cargo and with the products of the country moving seawards in increasing quantities, Venezuela's harbors should be attractive ports of call for tramp steamers and conducive to the establishment of other routes of liner traffic.

The principal articles imported into Venezuela are cotton textiles, wheat flour, machinery, agricultural implements, kerosene, drugs and medicines. The principal exports are coffee, cacao, balatá, hides and skins, rubber, gold, copper, sugar, asphalt, heron plumes and cattle.

Estimating the bolivar at .193 cents gold, the accompanying figures show the extent, in United States currency, of Venezuela's foreign trade:

1917—Imports.....	\$22,188,223.08
Exports.....	23,164,701.60
Total.....	<u>\$45,352,924.68</u>
1918—Imports.....	\$14,908,275.39
Exports.....	19,813,216.67
Total.....	<u>\$34,721,492.07</u>
A decrease in imports for 1918 over 1917 of.....	\$7,279,947.69
A decrease in exports for 1918 over 1917 of.....	3,351,484.93
A total decrease in foreign trade for 1918 over 1917 of	<u>\$10,631,432.62</u>
1919—Imports.....	\$27,020,000.00
Exports.....	33,196,000.00
Total.....	<u>\$60,216,000.00</u>
An increase in imports for 1919 over 1918 of.....	\$12,111,724.61
An increase in exports for 1919 over 1918 of.....	13,382,783.33
A total increase in foreign trade for 1919 over 1918 of.....	<u>\$25,494,507.94</u>

(Above figures were compiled from official sources; advance estimates for 1919 from "Memoria de Hacienda, Ano civil de 1919.")

PART II

AMERICAN GOODS IN VENEZUELA

American goods have always been welcome in Venezuela, even when Americans were *personae non gratae* in the country. The greatest obstacle in the way of increased sales of American goods in Venezuela is *American selling methods*.

In selling the Venezuelan market, German and British merchants have always evidenced a readiness to adapt their goods to meet the requirements of Venezuelans, while it has been the policy of Americans in general, to attempt to force their customers to alter their requirements to fit American goods. The World War, by shutting off Europe from South America, helped certain American dealers to force on Venezuela goods which the merchants of that country did not want. A homely example of American "strong arm" selling methods occurred during the war in the matter of an order for a quantity of stickers, or labels, to be pasted on small packages. The Venezuelan house ordered the labels without the usual gummed back, as the climate of the country propagates myriads of mucilage-hungry insects and was clearly not favorable to the usual form of gummed-back stickers. Therefore, the order was given for a certain number of printed labels with plain backs, the intention being to apply mucilage to the labels as needed. The American exporter, however, promptly sent the usual gummed-back labels with the intimation that he was selling labels with gummed-backs and not labels with another kind of back and that he did not think it advisable to change his wares in order to fill a small order. The Venezuelan house needed the labels and as Europe was isolated, it was forced to accept, under protest, an article which was clearly doomed to prove unsatisfactory. This is but one example of what I have been told is one of the greatest defects in American selling policy. Now that the war is over and Europe is hastening to pick up the slack ends of her world trade, America is liable to lose a large part of her war-won trade if she does not immediately alter her previous attitude. "With the exception of flour, lard, lumber, cement, certain lines of dry goods, typewriters, cash registers, sewing machines and a few other articles in which Europe does not compete, the main current of importation into Venezuela has been from European countries, which

have for many years made a careful study of the merchandise and packing requirements of the Republic. Backed by ample banking facilities, European firms have given liberal and long credits to facilitate the sale of their products."¹

The necessity of careful packing has been systematically dinned into the ears of American exporters and as consistently ignored. As import duties into Venezuela are in many cases charged on commodity and container alike and as the chief means of transportation in the interior is by burros, over mountain trails, the packing should be as light and at the same time as durable as possible. In this connection, there is a story current in Caracas with reference to a shipment of small balloons for testing purposes, which may or may not be true, but which vividly illustrates the point. The American house, upon receiving an order for a number of balloons to be delivered to Venezuela, is charged with having inflated each and every balloon, enclosed each balloon in a separate case and shipped the entire order in this form!

In the near future, Germany will again be a dangerous competitor in Venezuela. At the present time there is a German trade commission touring the country and plans are also in process of formation for German immigration on a huge scale. Though the present government of Venezuela is more than well disposed towards the United States, it is clearly evident that the mass of Venezuelans while not hostile, are rather more suspicious than friendly, while the feeling of sympathy for Germany is and always has been manifestly very strong. There is strong German propaganda now at work in Venezuela for the future sale of German goods. The idea is deeply set in the Venezuelan mind, as deeply rooted as his feeling of distrust of the "Norte Americano," that what is made in Germany is the best. There have even been instances where American goods have been sold as "Made in Germany," because of this skillful insinuation of the superiority of German goods. For a long time "Reuter's soap," manufactured by a New York concern, sold widely in the Republic, and every Venezuelan merchant would have sworn that the Reuter Company was a German concern, in spite of the fact that "REUTER COMPANY—NEW YORK," was plainly marked

¹"Market for Construction Materials in Venezuela," Bureau of Foreign and Domestic Commerce.

on every package. The United States should institute a counter trade-propaganda in favor of goods "Made in America," if she would retain and increase the volume of her trade with Venezuela.

Experience has shown that the best means of furthering the sale of American goods is through the establishment of agencies in the principal cities of the country. Formerly much good American energy was wasted through the practice of sending out commercial travellers who toured the country without first studying the field and reporting regularly to the head office in the States. A resident American agent, with several assistants to alternate on selling trips into the interior, forms friendships, observes, and establishes liaison with the government, which is of prime importance in commercial dealings with certain Latin-American republics. Especially in meeting the peculiar customs regulations by which so many incoming shipments are questioned, held up, fined or confiscated, is the resident foreigner more apt to secure expeditious treatment while the native handling an agency would be without the recourse always at hand for the American representative.

A serious obstacle to Venezuela's trade and to the future extension of the sale of American goods in the Republic is the complicated system of customs collection. The complaints heard are those of friends anxious to facilitate trade and eliminate sources of friction. "There are nine classes in the customs tariff, ranging from 0.05 Bs. per kilo gross for the first class to Bs. 20 per kilo gross for the ninth class. In addition to the regular schedule, some articles are subject to specific or ad valorem surtaxes, two surtaxes of 12½% each, the National Tax and the Territorial Tax were authorized in April, 1901, and a 30% duty established by a decree of February, 1903, for the purpose of paying off the foreign indebtedness and continued by decree of June, 1912, to be used for internal improvements. There is also the sanitary tax of 1% and a surtax of 30% on imports from the West Indies (since June, 1881) designed to promote the establishment of wholesale houses and warehouses."¹

"American exporters have been discouraged by the intricate system of fines and penalties imposed by the customs regulations

¹Compilations from "Ley de Aduanas," and "Ley de arancel de Derechos de importacion de 16 de junio de 1915."

for slight errors in invoices."¹ The customs collectors and officials receive meager salaries, but the discoverer of an error in an invoice, or other violation of customs regulations, receives one half of the resultant fine. Consequently, there is a natural zeal in discovering errors, frequently resulting in fines for the omission of commas, faulty use of semi-colons and for abbreviating. "As compared with other South American countries, Venezuela is placed at a distinct disadvantage and many American merchants have refused to continue doing business in the Republic."²

Other obstacles to the furtherance of the sale of American goods in Venezuela are poor steamship connections with the States and the resultant slowness of mails and the unwillingness of the larger American export houses to ship small trial orders which the merchants in Venezuela frequently insist upon.

In closing, the writer may use the privilege of a patriotic American to say a word concerning the impressions he received as to the character and ability of the salesmen of American goods encountered in Venezuela. While there are many young men in the field who are models of strong character and efficiency (for the most part Porto Ricans), it must be confessed that the larger cities and the capital, Caracas, are not over-supplied with energetic young American salesmen of steady habits able to command the respect of the Venezuelan buyers.³

George A. Townsend.

¹Bureau of Foreign and Domestic Commerce, "Venezuela."

²Bureau of Foreign and Domestic Commerce, "Venezuela."

³Together with this report the writer has submitted detailed statistics containing the following information; the tables are on file in the School of Foreign Service:

- 1.—Ten year table of foreign trade of Venezuela.
- 2.—Value of imports by ports in bolivares.
- 3.—Principal articles of export for the years 1917 and 1918 valued in bolivares.
- 4.—Exports by ports, 1917 and 1918 (bolivares).
- 5.—Destination of exports, 1918 (bolivares).
- 6.—Entrance of ships by ports—1918.
- 7.—Entrance of ships by flags—1918.
- 8.—Sailings by ports—1918.
- 9.—Sailings by flags—1918.
- 10.—Imports for the six years 1913 to 1918 (in bolivares).
- 11.—Exports in the six years 1913 to 1918—bolivares.

APPENDIX

I

LECTURE DELIVERED BY DR. PEDRO ITRIAGO CHACÍN ON JULY 30, 1920, IN THE SCHOOL OF POLITICAL SCIENCE OF THE UNIVERSITY OF CARACAS, MARKING THE END OF THE COURSE OF STUDY CARRIED ON BY THE STUDENTS OF THE SCHOOL OF FOREIGN SERVICE OF GEORGETOWN UNIVERSITY IN CARACAS, VENEZUELA.

Professor Sherwell:

Students of the University of Georgetown:

We are pleased that you have had the opportunity to experience the affection of the Venezuelan Government and people for your illustrious country, a country admirable in every respect and especially because of the fact that when our nationalities began their lives, she was the stronghold of American rights.

Through a magnificent destiny, which you are loftily fulfilling, you proclaim yourselves the champions of a democracy whose models will be, on the American continent, amid glory common to us all, Washington and Bolívar; the one representing the equanimity of the great Saxon race, and the other embodying the dreams of progress, at times impatient, but always magnanimous, of that Latin soul which vibrates in our veins and inspires our conduct.

These two souls come into symbolical contact to-day,—and God grant that it be forever so!—in this intellectual communion of youthful students at the foot of our Ávila, students who may one day be the citizens of that future country announced by Rodó, which may then call itself by a single, glorious name—simply and grandly,—America, a country created not through political combinations or sordid calculations, nor through imperialistic and warlike expansions, but through community of interests and community of ideas; a country created through confraternity, supported by justice, and made everlasting through right.

Gentlemen:

The noblest edifice that has reared its ideal shield over the world is Law.

No institution created by mortal beings (by its grandeur, law has been thought divine, and indeed, *jus* and *fas* were identical in their origin) answers more fully the higher aspirations of the human soul.

Man, who has lived in a hole in a rock, or on his native plains, under the roof of heaven, can build for his residence dwellings more or less sumptuous; for him a ray of a torrid sun is an abundance; when he loves or dreams he is satisfied with a moonbeam and is able to boast that he has destroyed darkness; man, who carries within himself the essential substance of all beings, the substance which, by its manifestations, is the synthesis of the world, and through which great silent men can live happily by themselves, may traverse distances with the wings of the condor and, at will, join his fellow-beings for pleasure or for labor; he inhabits palaces with Agrippa, partakes of banquets with Lucullus, and is carried with Cleopatra, in the bark of pleasure, the nuptial, dream-hued ship. * * * But is that all, the final purpose of his destiny? Is such perchance, the essential? Does that answer the cravings of his own soul and the conscience of humanity?

No; that is not the test of value, not even of progress. For in the face of such philosophy a thousand queries will ever rise to his lips. Is he free or not? Does he enjoy equality and, on his part, does he not tyrannize? Does he hold among his fellow-beings a place, great or humble, but a place, none the less, from which he can work out his own destiny and that of a group such as his family, his city, or his country? May he think, live, produce, build up a fortune and a home for himself, thus ennobling with a serene dignity his existence and finally perpetuating himself, through his ideas, his children, and his achievements? In order that we may always freely answer "yes," man has forged Law. And I repeat it, he has truly forged law because that process, though begun with man himself and continuing through all the ages to be his glory in history and for eternity, this science which he has produced is like those lofty structures which have exhausted the effort of one genera-

tion after another, their formidable architecture forever providing unfinished work for generations to come.

In that great total, one of the most modern and perhaps one of the noblest parts is International Law, whose subjects are not merely individuals, but the groups we call states.

When, in the midst of the dismay produced in our souls by the European war, I began, in 1917, my lectures on the History of International Law, I made an optimistic profession of faith, a profession of absolute faith in the efficacy of those principles of justice which must regulate the relations of peoples.

Permit me to repeat what I said on that occasion:

International Law is truly a triumph of reason. Applying to this subject a well-known saying spoken, however, with reference to broader fields, it is "human reason itself in so far as applied to the government of nations." For although some of its rules are obeyed crudely and instinctively as manifestations of social requirements in primitive groups, force, which is the negation of Right, has prevailed over those rules to such an extent that only through the supreme influence of religious ideas, which are all powerful in the infancy of social organizations, have they been applied to some extent in safeguarding rights such as the respect due to ambassadors, the inviolability of sacred truces and the burial of soldiers fallen on battlefields.

It was through an effort of reason, ever progressing and steadily receiving more enlightenment, that, with the passing of centuries, those standards which now impose unavoidable obligations on modern states have been established. The evolution has been harmonious in its changes, and reflects the different stages of civilization through which mankind has advanced.

Reason has striven to replace the reign of violence, the negation of thought, by effecting the progressive development of human society through the force of justice; and, hence it is that every day more perfect relations have been established among civilized countries through respect for the equality of all and through the acknowledgment of mutual individuality, which is in effect a consequence of the respect we demand for ourselves. In short, this advance rests on the realization of the dignity of man, a realization which, in this case, leads men logically to admit the sovereignty of the people and the sovereign inde-

pendence of the state, which implies that each is free to organize as it seems fit in order to fulfil its destiny without foreign interference.

It is only too true that the present catastrophe which shook the world has given rise to the thought, the sad thought, that the work of centuries has failed; and truly the spectacle appals us with its magnitude. The leaders of humankind, who led the forward movement towards spiritual freedom, who had fostered congresses and conferences designed to draw men closer to one another and thus to settle their differences, who had established at The Hague a supreme Tribunal of Nations, have seen themselves compelled to adopt the very expedient which seemed forever repudiated because of universal condemnation.

England, prudent England, the model on which all free nations chose to shape their institutions and their lives; vigorous Germany, as learned as she is strong, whose power is established through the maintenance of that discipline and virile rule of life admired by Tacitus who proposed it to the decadent Romans as reproach since it could not serve as a model; Italy, our teacher in arts as well as in the science we profess, favored as she was with the subtle, deep and harmonious genius which made forever famous the schools of Proculus and Sabinus; France, admired and admirable France, alma mater of so many happy innovations and of so many generations of high thinkers, especially of that generation of a century ago, deemed heroic as Carlyle understood heroism, and which aroused by Bolívar translated idealism into action and immortalized the most transcendental moment in the history of these Americas;—Russia,—I shall refrain from mentioning Russia because a dark cloud has obscured for the great majority the spiritual strength of that people, weighed down with future problems but permeated with a sentimental and deep mysticism which some discovered when they grew to admire Tolstoy and Dostoievsky whom Enrico Ferri has compared to Dante,—all these nations and those they strongly influence, all these peoples who occupy so prominent a place in history, we see fanaticized by the fire of war, sowing death mercilessly, spreading ruin from one hemisphere to another and planting pessimism, if not despair, in one conscience after another. This, too, just when it seemed impossible that any of them, at the present stage of development, should need to

engage in contest other than those through which life could be more secure and comfortable, physical welfare greater, and nations brought nearer the tranquil reign of the spirit.

But we must never lose sight of the fact that all this is but a crisis, one of those great convulsive crises of the moral organism, from which the concept of right and the necessity of employing the only formulas truly protective of equity and justice shall emerge more vigorous than ever.

After this great war, the desire for a lasting peace will be more intense, and the means to make that peace certain will be applied with greater energy.

These hopes, cherished by many of us during the struggle, we have seen synthesized in the Wilsonian concept and incorporated with the precision of a code in the Covenant of the League of Nations. Since the appearance of Christianity, only the Thirty-Years war terminating in its Congress of Westphalia, and the French Revolution, with its declaration of the rights of man (which Grégoire intended to supplement with a declaration of the rights of states), will leave on international law as deep a mark as the World War with its Covenant of the League of Nations.

A flight of eagles, but happily not of imperial eagles, crosses all borders; a magnanimous feeling of solidarity struggles to conquer sterile distrust, and the members of the human family begin to recognize each other. It seems as if we were approaching the realization of the generous idea of Cicero and Seneca; man is nowhere a foreigner; his true country is the universe. The dream of a *Magna Civitas*, the ideal city of humankind, is taking shape.

Wilson's plan tends to that end. We have seen that it is not new, but it is great. Among others, Sully and Henry IV, the Abbé Saint-Pierre and Rousseau, cherished this idea, which Voltaire, the skeptic, considered chimerical. Kant, the philosopher, used to say: "What we desire is a General Congress of Nations, the convening and duration of which would depend entirely upon the sovereign will of the several members of the league."

The lineage of statesmen, of dreamers, and of philosophers is a single and privileged moral descent. Prudent forethought, creative imagination and profound grasp of the supreme laws

which regulate nature and man are crystallized in the souls of liberators. Bolívar also strove to establish an Assembly of Nations at the Isthmus of Panama. And it is worthy of notice that these nations in Bolívar's plan, as well as in the Covenant of the League of Nations, would be forced to obey the principles of International Law. The Congress, in his first project, was intended to be established somewhat rigidly, and, in that, too, Bolívar anticipated the ennobling of an idea, fostered by modern writers like Blunstchli, Dudley Field, Fiore, Pessoa (now President of Brazil), and which has been the subject of numerous international conferences.

What deep sadness must our great liberator have felt when in figurative language he compared his ineffective plan for a congress with the insane Greek of old who thought that standing on a rock, he could steer the ships passing on the sea!

The immediate genesis of the Covenant of the League of Nations is found in the famous Fourteen Points of President Wilson.

Some of them follow:

In the first, President Wilson proposes international agreements of peace entered into frankly and openly, and the obligation of proscribing secret international agreements of any kind in the future.

In the second, he proposes the freedom of the seas in time of peace as well as in time of war, exclusive both of territorial waters and of seas which may be closed by international action with the purpose of carrying out international agreements.

In the third, he proposes the suppression, as far as possible, of economic barriers, and the establishment of equal commercial conditions for the states which would accept the peace and join to maintain it.

In the fourth, he proposes the reduction of armaments to the minimum limit compatible with the internal safety of each country.

Lastly, in the fourteenth, he proposes the creation of a General Society of Nations to guarantee the territorial integrity and the political independence of the small as well as of the large states.

Certainly, this helmet of Mambrinus suffered numerous bruises, as happens to all generous dreams when they come into contact with selfishness or with the consuming breath of the

passions of the moment; let us have faith, however, in that saintly philosopher who teaches, on the contrary, that the perfect being is he who passes from understanding to reality, and let us hope that it will evolve toward superior forms.

Let us hope that such a helmet will not prove to be the shaving dish of a barber.

The purposes of the League are condensed in its admirable preamble:

“The High Contracting Parties,

In order to promote international cooperation and to achieve international peace and security by the acceptance of obligations not to resort to war, by the prescription of open, just and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another,” and so on.

In order to realize these purposes, it is necessary to establish means which will enable nations to settle their differences without having recourse to war. It is necessary to reduce present armaments and to eliminate for the future this burden which weighs upon modern peoples as the hateful war tributes of antiquity, and which is nothing less than a resurrected form of slavery. In order to obtain this, the Council of the League is charged with the work of formulating a program for the reduction of armaments, based upon the inquiries and decisions made by the respective governments, and with the purpose of keeping under control the manufacture of ammunition.

Regarding the first point, a set of measures already established by international law is ordered, and strongly sanctioned by provisions of the Covenant.

The states between which disputes or conflicts may arise will have recourse to the Council or to the Assembly, or will submit their cases to arbitration. They are forbidden to resort to war until three months have elapsed after the decision of the Council or the Assembly or of the third state to which they may have recurred; all this with the purpose that the counsels of prudence, the strength of just decisions, and that the calming and tranquilizing action of time itself may have their effects on the irritated feelings of men.

In order to obtain its principal object, the Covenant also provides for the creation of a permanent Court of Arbitration, an institution which, with the economic sanctions established in the same Covenant, will be the most effective instrument of its civilizing action, for we know well that peace will never exist among men while justice is denied.

The project for the establishment of a permanent code of international character met at The Hague, and has always met, one formidable obstacle: How can all the states be represented in a body which must necessarily be small?

It is noted that the omission of some of them is considered as a flagrant violence of juridical equality and derogatory to the sovereignty of those states.

In the second meeting of the Council, held in London, this topic was carefully studied, and after a brilliant report by Bourgeois, it was agreed to submit the matter to a committee of prominent internationalists in order that they might devise means to obviate such difficulties as impeded the realization of the purpose. Among those international figures two South Americans were included: Clovis Bevilacqua and Dr. Drago, the name of the latter now being associated with sad memories, a man for whom Venezuela retains grateful and respectful affection.

Another project of the League is the organization of labor. Do you know any human beings more worthy of the consideration of the mighty and the pity of the world than the child, the woman and the workman who spends his strength in fruitful labor?

After having presented the more remote antecedents and the genesis of the Covenant of the League, as well as the ends it aims at and the means it follows to realize them, it only remains to say something of the working of the new organism of the international law created by the Covenant. In this I shall follow the Covenant itself:

MEMBERS OF THE LEAGUE

The members of the League are of two classes, the original members and those later incorporated.

The original members are:

1. The Allied and Associated Powers signatory of the Treaty of Peace.
2. States invited, which may have acceded without reservations to the Covenant.

Thirteen states, among them Venezuela, were invited, and all acceded.
The incorporated members are:

Any fully self-governing State, Dominion or Colony which may be admitted.

Any member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations shall have been fulfilled at the time of its withdrawal.

The Assembly is empowered to receive new members of the Society by a vote of two-thirds of its members.

Any member guilty of non-fulfillment of the obligations established by the Covenant may be expelled from the League by the unanimous vote of all the members of the Society represented in the Council.

ORGANS AND FUNCTIONS

The organs of the Association are:

- A. The Assembly;
- B. The Council.

They will be assisted by a permanent Secretary.

* * * * *

The Assembly will be composed of not more than three representatives for each member of the League, who will have the right to one vote only.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

The Council shall consist, at present, of representatives of the principal Allied and Associated Powers, together with representatives of four other members of the League, as follows: one representative of the United States, one of the British Empire, one of France, one of Italy and one of Japan; and four other members who, until new appointments are made by the Assembly, will be representatives of Belgium, Brazil, Spain and Greece.

Since the Covenant of the League has not been approved by the Senate of the United States, that Power has not had the stated representation, and the meetings of the Council have taken place with the other eight members.

* * * * *

The Assembly and the Council shall decide (as a rule) by the unanimous vote of all the members represented at the meeting.

All matters of procedure (appointment of investigation committees, etc.) will be decided by a majority vote.

* * * * *

The Secretary-General shall be appointed by the Council with the approval of the Assembly.

* * * * *

The representatives of the Association shall enjoy diplomatic immunity. Their meetings, buildings, etc., shall be inviolable.

The Council may select the seat of the League. For the present, the Covenant establishes that seat in the city of Geneva.

* * * * *

A Military and Naval Commission shall be established to advise on military,

naval, and aerial questions generally, and especially on the execution of the provisions of Articles 1 and 8, that is, regarding the Members of the League and the reduction of armaments.

* * * * *

The Council is empowered to

1. Prepare the plans for the reduction of armaments, in view of the investigations and decisions made by the several governments.

2. Take steps with regard to the private manufacture of ammunition and war materials.

* * * * *

The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. The Council shall advise upon the means to assure guaranties for territorial integrity and independence. Any war or threat of war against any member of the League is a matter of concern to the whole League.

SPHERE OF ACTION OF THE LEAGUE

The League, through its contractual character, establishes unavoidable obligations for the states which enter it. Accordingly, the remaining states shall be foreign to it, since it is well known that the conventions impose obligations only on the parties signing them or adhering to them.

But the nature of this international organism itself prevents its being entirely so. The League, considering the ends at which it aims, could not limit its actions to the states forming it, even though those states may be, as they are, almost all the countries of the world. It is obvious that the League, on reducing its armaments, could not see, without concern, another state extraneous to it increasing its own armament.

We have already seen that the Assembly has to take cognizance not only of all that is comprised in its field of action, but of all which may affect the peace of the world, and this gives it an unlimited sphere of action.

In the event of a dispute between a member of the League and a state which is not a member of the League, the state not a member of the League shall be invited (among other measures to preserve peace) to accept the obligations of membership in the League for the purpose of such dispute.

In general, regarding states not members of the League, the League shall endeavor to bring it about that they accept in their disputes the same juridical procedure as the members of the League, that is to say: mediation, arbitration, commissions of investigation, etc.; and the League may even apply the sanctions which the member states may incur for non-fulfillment of the Covenant, and which range from measures of economic isolation to acts of warfare.

A formalistic and narrow criterion alleges that international law is not law at all, since the three elements which make law tangible for all persons,—the legislator, the judge, and the executive, are lacking in it.

The Covenant of the League of Nations undertakes to present

all those personages. It offers all to us simultaneously, the legislator *par excellence*, the judge and the executor of all great decisions, in one and the same organ, namely the vigilant public opinion of humankind.

Here, in brief summary, as prepared for a lesson, is the Covenant of the League. If it fails today, it will reappear. That idea is immortal, and it will come back purified and more beautiful. The fact, now unquestionable, of economic solidarity must bring about political solidarity. Nations will no longer be able to attack and dismember each other without injuring themselves.

Solidarity and cooperation; diplomacy frank and open, and at the service of the peoples, not, as heretofore, a false art of courtiers and lackeys; permanent freedom for navigation and commerce; economic liberty; general disarmament; equality among states, the great as well as the small, these are the ideas expressed, with the conviction and the prestige of an apostle, by President Wilson and which the universal conscience of mankind, although it had known them before, has now taken up as a new gospel.

The thinkers of the French Revolution could well be proud of having proclaimed the right of man. To President Wilson will belong the glory of proclaiming the rights of peoples, because the League of Nations does not mean the denial of patriotism, the denial of country, but the glorification of this sublime concept, as the idea of country does not exclude the mother idea of family and home, which was and ever remains its necessary foundation. These are the links of a mystic chain, not of oppression but of salvation, of unity and harmony. Build honorable homes and you will have a great country; ennoble your country through virtue and you work for the world.

I thank you all, especially Dr. Sherwell, for having been so good as to honor with your presence this simple ceremony.

II

EDITORIAL COMMENT ON THE GEORGETOWN
MISSION TO VENEZUELA

GOOD TRADE AMBASSADORS

[*From N. Y. Post Express, August 11, 1920.*]

Georgetown University has a foreign service department in full operation, the worth of which this paper testified to when the project was first announced. Recently twenty-five students of this department were sent to South America to study trade conditions and they made their headquarters first at Caracas, Venezuela. Now note what has happened. These young people set up official and domestic housekeeping at the United States consulate; they went about among the Venezuelans, who found them likable, and soon the consulate became a rendezvous for business people of Caracas. And there have been more sales of household articles and of office equipment of various kinds in Caracas and throughout Venezuela than the regular commercial letter, and the traveling agent who rushes through the land have achieved in the past five years. Moreover, there is correspondence relating to bigger orders coming in to business houses which have been quick to communicate with Georgetown University. Here is the sort of trade embassy we need in South America and the world around. Train our young people to the idea and the knowledge needed for foreign service, both commercial and political. And then send them abroad to become known as well as to know. We are the least well known of any great nation outside our own borders, for we have been least well represented. It is time to change all this and other higher schools might well follow Georgetown's example.

STUDENT FRATERNIZATION

[*From El Nuevo Diario, Caracas, June 20, 1920.*]

Students, as a general rule, are free from prejudices and are exempt from the burden of preconceived ideas which in most cases distort the judgment of the individuals who purpose

to learn from the bottom the problems of a distinctive nationality. By reason of their temperament they are optimists and like to view with dispassionate eyes the phenomena of life. Therefore their impressions possess a high value of sincerity, which contains perhaps more worth than the observations of experience. The North American students who are going to Venezuela, we are sure, will be able to carry back on their return a fresh and pleasing impression of the noble Venezuelan land, and will be able to understand that on the part of the students of Spanish America there exists toward those of the United States nothing but warm sympathy and a generous brotherhood.

It is to be desired that in years to come the University of Georgetown, which now has given the example, and other North American Universities will organize student trips such as this to other countries of the New World, sending groups of students who for some months will live the life of the Spanish Americans.

In turn, it is to be desired also that the Spanish American Universities will inaugurate these student trips to the United States, supervising them in a proper manner, and sending each year a certain number of students, not to study in the cloister but to put themselves in touch with the daily life of the country and the activity of the masses.

For the Venezuelans it will be a matter of satisfaction—this visit of the North American students—and with all confidence the society of this country will endeavor to prove its worth in making their stay agreeable to them, facilitating for them the necessary means whereby their voyage may be in all respects profitable in order that a definite judgment may be formed of the importance of our nation.

The trip organized by Dr. Sherwell in the form we have already noted, seems to be a precedent of great importance for the relations between the student societies of the two great portions of the continent, as it must redound in the near future to the benefit of all.

To labor in this furrow signifies to water a fertile seed, a seed of true progress and democracy, and whoever dedicates his efforts to this end deserves the congratulations of the public.

LLEGADA DE LOS ESTUDIANTES AMERICANOS

[From *El Nuevo Diario*, June 27, 1920.]

La Guaira, 26 de junio,—Hoy, como estaba anunciado, llegaron en el vapor *Caracas*, el notable profesor señor Sherwell, de la Universidad de Georgetown, y el grupo de estudiantes americanos que vienen a Caracas a pasar vacaciones y a practicar sus conocimientos de español.

Al vapor subieron a presentarle sus salutaciones varias comisiones: una del Ministerio del Exterior, otra del Ministerio de Instrucción Pública y otra de la Federación de Estudiantes venezolanos.

En la Aduana, el señor M. A. Falcón Rojas ofreció varios brindis de champaña a nombre de los nombrados Ministerios, y además en nombre del señor Ministro de Hacienda.

Luego, el señor Sherwell, todos los estudiantes y las diversas comisiones pasaron al hotel "La Alemania," de Macuto, donde se sirvió un espléndido lunch.

Como a las cuatro de la tarde partieron todos en automóvil para Caracas.

En todos estos actos reinó la mayor cordialidad. Los estudiantes se alojan en las mejores casas de pensión de esta ciudad.

El Profesor Sherwell, en sus palabras de respuesta a los cordiales brindis de que fueron objeto tanto él como los estudiantes que lo acompañan, expresó su profundo agradecimiento por la espléndida manera con que se les ha recibido en Venezuela y manifestó que no le sorprendían en manera alguna, las atenciones de que era objeto, pues bien sabía que en este país así se demostraba la cordial y sincera simpatía que se siente por los hijos de la gran República.

* * * * *

En esta ciudad, desde su llegada, los distinguidos huéspedes son objeto de múltiples atenciones; en especial el señor Sherwell, a quien presentaron sus saludos en su alojamiento, numerosas, altas personalidades, además de las comisiones nombradas por los Ministros del Exterior de Hacienda y de Instrucción Pública.

EL NUEVO DIARIO, de la manera más cordial presenta su saludo de bienvenida al señor Sherwell y a los estudiantes que le acompañan, y les desea todo género de satisfacciones en su estada entre nosotros.

Con el mayor placer publicamos de seguidas la nómina de los jóvenes estudiantes que van a ser nuestros distinguidos huéspedes y a estrechar con su presencia, los lazos de tradicional y fuerte amistad que ligan a los pueblos de los Estados Unidos y de Venezuela.

Doctor Sherwell, Director; Walter Donnelly, James O'Neil, Paul Babbit, George McKenna, Thomas Morris, John Heiler, David Schlesinger, Townsend, Frazee, Costello, Philip Sullivan, Chirieleison, Johnson, Murphy, Fanning, Joseph Quinlan, Hopkins, J. Homer Butler.

EL PROFESOR SHERWELL

[From *El Universal*, June 27, 1920.]

Desde ayer es huésped de Caracas el eminente hombre de Ciencias norteamericano señor Guillermo A. Sherwell, Prosecretario del Segundo Congreso Financiero Panamericano y Consultor jurídico del Consejo Central Ejecutivo de la Alta Comisión Internacional.

Desde su desembarco en La Guaira el señor Sherwell ha sido objeto de cordiales agasajos por parte del Gobierno de Venezuela y de los centros más notables del país.

Per designación del Ministerio de Hacienda el señor Ramón Jiménez Sánchez, Inspector General de Aduanas cumplió a su llegada al Profesor Sherwell y le ofreció hospitalidad en nombre del Gobierno Nacional.

MISION ESTUDIANTIL

Como estaba anunciado, ayer hizo su arribo a La Guaira el vapor americano "Caracas," a bordo del cual llegaron el doctor Guillermo Sherwell y el grupo de jóvenes estudiantes de la Universidad de Georgetown, Estados Unidos.

A recibirlas al vecino puerto bajaron en automóvil, además de las delegaciones del Ministerio de Relaciones Exteriores y del Consejo Nacional de Instrucción Pública, una comisión especial de la Federación de Estudiantes Venezolanos compuesta por los bachilleres Atilano Carnevali (Presidente de la Asociación), Efraín Cayama Martínez, Miguel Zúñiga, Jacinto Fombona, Rodolfo Moleiro, Germán de las Casas, Gonzalo Carnevali y Eduardo Calcaño hijo. Despues del saludo de bienvenida que

se les dió a bordo, los estudiantes americanos fueron invitados por sus compañeros de Venezuela a un almuerzo en Macuto, de donde se dirigieron a Caracas en las últimas horas de la tarde.

La vista de tan distinguidos elementos de la juventud norteamericana tiene especial significación en estos momentos en que se acentúa un acercamiento espiritual más estrecho entre los pueblos de América.

Igualmente el señor Manuel Segundo Sánchez, Director de la Biblioteca Nacional, comisionado del Ministerio de Hacienda para atender al distinguido huésped y facilitar sus labores en Caracas le presentó sus saludos a bordo del vapor americano.

El doctor Sherwell subió a Caracas acompañado de los señores Sánchez y Jiménez Sánchez y ya en su domicilio fué visitado por el doctor Alvarez Feo, Director de Aduanas en el Despacho de Hacienda, quien le cumplimentó.

La Alta Comisión Internacional recibirá hoy á las 11½ a. m. al distinguido huésped en su salón de sesiones. El señor Sherwell, Profesor del Departamento Español de la Universidad de Georgetown trae encargo del Consejo Central Ejecutivo de la Alta Comisión Internacional de presentar a la Sección Venezolana un cordial saludo y tratará con ella diversos asuntos. Con este objeto la Comisión celebrará algunas sesiones a las que asistirá el doctor Sherwell.

El distinguido huésped preside un grupo de estudiantes de la Universidad de Georgetown cuya visita a Caracas propenderá a un estrecho acercamiento estudiantil entre los dos países. Traen el propósito de ofrendar una corona sobre la tumba del Libertador y otra en la estatua de Washington.

Tal circunstancia hace más simpática la visita del profesor Sherwell a Caracas donde se le preparan algunos homenajes.

Al presentar nuestros saludos al ilustre huésped hacemos los votos más cordiales porque su misión en Venezuela tenga el más feliz éxito.

EL UNIVERSAL se complace en presentar su salutación de bienvenida a los estudiantes norteamericanos, cuya visita a Caracas contribuirá a hacer más sólidos y eficaces los lazos intelectuales que unen a Venezuela con la gran patria de Washington y a establecer un más activo intercambio de ideas entre las juventudes estudiantiles de ambos países.

DR. SHERWELL ARRIVES DELIGHTED WITH THE SITUATION WHICH HE MET IN VENEZUELA—WHAT MOST IMPRESSED HIM WAS THE HIGH CHARACTER OF THE GOVERNMENT AND ITS STRICT DEVOTION TO THE ACCOMPLISHMENT OF ITS DUTY, HIGHWAYS, RAILROADS, MONETARY SYSTEM, ETC.—FINDS ALSO THAT THE PEOPLE “IS ONE OF THE BEST TYPES OF HUMANITY THAT EXISTS IN THE WORLD.”—ALL THESE TOPICS WILL BE TREATED IN THE THESES WHICH THE STUDENTS OF THE UNIVERSITY OF GEORGETOWN WILL PRESENT IN THEIR NEXT EXAMINATIONS TO OBTAIN THEIR DEGREES.

[From *La Prensa*, New York, August, 26, 1920.]

Washington, August 25th.—Dr. William A. Sherwell, Professor of Spanish in the University of Georgetown and Expert Adviser in the High Interamerican Commission, who has just returned from Venezuela with the group of 18 students from the School of Foreign Service of the University, has come from Venezuela impressed with the high class of the Government employees which that country has, as well as with its business men, where he was warmly welcomed by the same people, whom he characterizes as “one of the best types of humanity which exists in the world.” The Professor was in charge of the students who are preparing to enter the field of foreign trade, several of whom, he says, have received offers from commercial houses, notwithstanding which they will continue in their University studies until next June. Each student has prepared an account or report of some one of the various phases of industry—economic, industrial or commercial, of Venezuela. The coffee and sugar industries, the petroleum exportation, and the operation of the mines, the banking and monetary system, immigration laws, education, public debt, are some of the topics which the students will treat of in their reports.

Dr. Sherwell spoke of the great development which has taken place in Venezuela, of the great extension of railroad work, which in many parts crosses the mountains, and of the splendid automobile roads already constructed and those planned for construction. In Venezuela there are many automobiles, but orders will continue. Tractor machines are being introduced in the farming sections and the cattle industry is taking on a new impulse. New models are being introduced, especially from the

United States, and industry in the large is well advanced. There is opportunity for further development of the cattle industry, according to Dr. Sherwell, since there exist several districts not yet utilized for this purpose.

Venezuela is the South American country nearest to the United States, and the opportunity exists for a more extensive commerce between the two countries. And yet, says Dr. Sherwell, there is no large passenger and freight service between the two nations. He thinks that it is necessary to remedy this need.

In going to Venezuela as the official representative of the High Interamerican Commission and instructor of the students, the Doctor was in touch with General Juan Vicente Gomez, President-Elect, the members of the Cabinet and other prominent officials. The Minister of Public Education gave a dinner in San Juan to the Sherwell party, General Gomez and the President being present. One of the features of the visit consisted of a trip in automobile across the country in four days in which they were able to inspect the places of industrial and historical interest. They visited the sugar cane and coffee plantations; Valencia, the most beautiful of tropical cities; La Victoria, famous in history through having been the place where at the beginning of the last century the Spanish forces were defeated by the Independents; and the old farm of San Mateo, belonging to Bolívar, where Captain Ricaurte, seeing that he was not able to hold the hill which he was defending much longer, sent his men to the plain, and set fire to the park of artillery when the Spanish arrived, all being blown up with the explosion.

Dr. Roman Cardenas, Minister of the Interior and President of the High Interamerican Commission, is a man—says Dr. Sherwell—for whom he entertains the highest regard. He conferred with all the members of the Cabinet, with some of whom he was in close contact, and he finds that they, as well as the employees in the Government offices, are competent and are steadfastly devoted to their work, without mingling in politics. Dr. Sherwell spoke also of the wonderful painters that Venezuela had produced, mentioning Señor Tito Salas, one of the great painters of the day. There are in Venezuela many poets and writers of high merit.

The money system, similar to the French, is functioning

efficiently. There is gold in abundance, says Dr. Sherwell; and during the war, when most countries suspended payment, Venezuela continued paying its debts, observing strict economy, and now has on deposit in the banks a large quantity of gold.

GEORGETOWN STUDENTS WELCOMED IN VENEZUELA

[*From Sunday Star, Washington, July, 1920.*]

Prof. Guillermo A. Sherwell, professor of Spanish at Georgetown University, and the eighteen students of the university's School of Foreign Service, who left Washington a little more than a month ago to gain first-hand and practical knowledge in Latin-American trade, have been most cordially welcomed in Venezuela, both by officials of the government and by the people there, according to a letter which has just been received by a friend here. In addition to representing Georgetown and acting as preceptor to the students, Dr. Sherwell also went as representative of the inter-American high commission, of which he is judicial expert.

"There is a tendency—very successful so far—to make Venezuela independent in industrial matters," writes Dr. Sherwell, this in connection with a visit he and his party have just paid to an exposition of natural resources and industrial products.

"The highroads are excellent," he continues. "The appropriation for public education has been doubled this year. The monetary system is simple. Gold circulates freely."

Referring to the government departments, of which he has made a special study, he says they "seem to have the right man in the right place."

Dr. Sherwell reports that just before he arrived in Caracas, the capital, the commercial travelers' convention had been ratified. The purpose of this treaty, which has now been agreed to between the United States and six of the other American republics, is to facilitate trade relations by simplifying the customs rules and regulations for the admission into the various countries of commercial travelers with their samples.

The convention now being signed with the different countries will do away with many of the inconveniences to which commer-

cial travelers have been subjected, such as the payment in some countries of numerous local taxes and fees. Under the new system a single license fee in each country will be all that is required.

Another important feature is that there will be liberal customs treatment of samples carried by the "drummer." Samples without commercial value will be admitted duty free, while other samples will be granted temporary free admission under bond for their re-exportation within six months. Delay in the clearance of samples also will be avoided. In addition to Venezuela, the other countries which have signed the travelers' convention are Guatemala, Panama, Paraguay, Salvador and Uruguay.

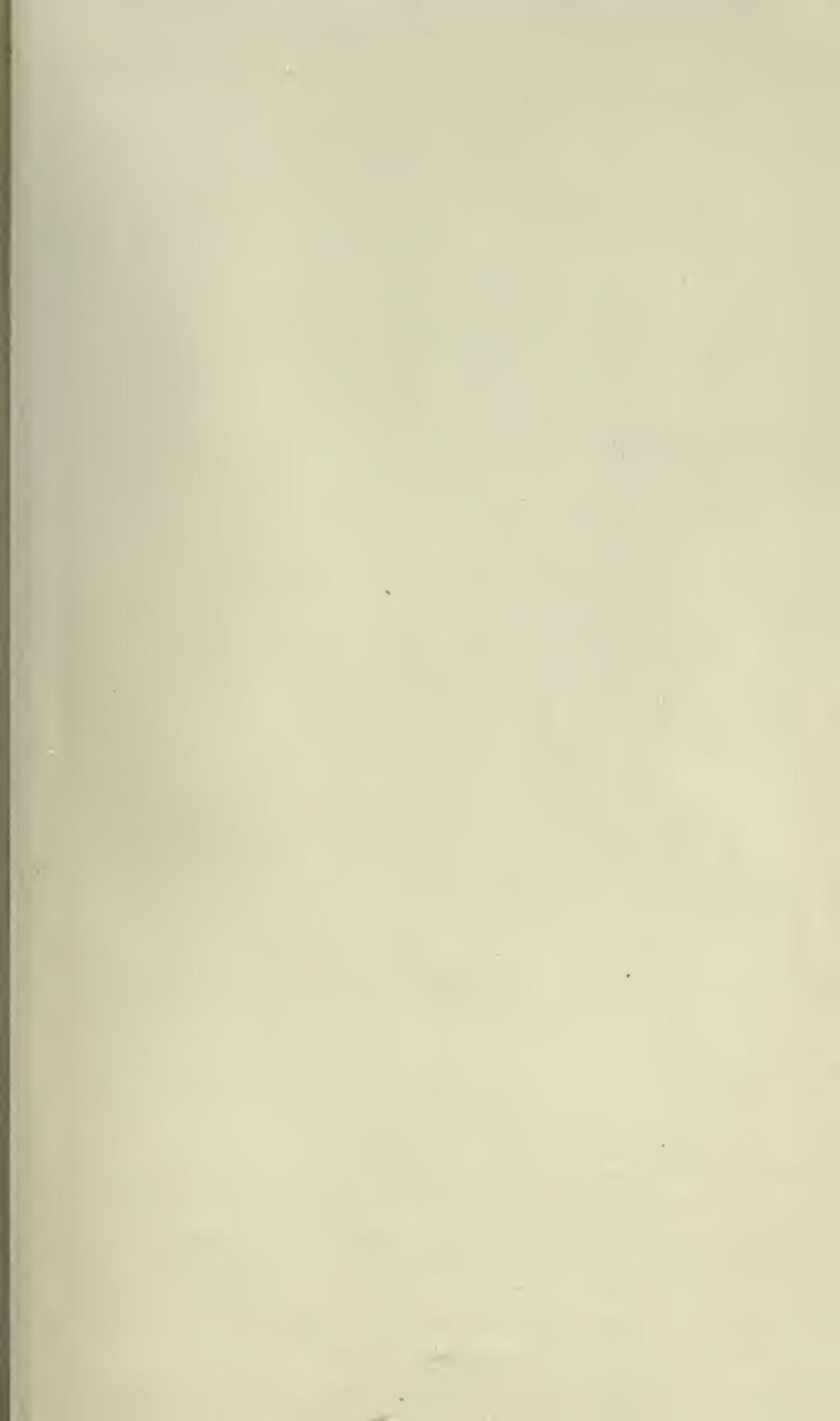
A convention for the arbitration of commercial disputes between the Chamber of Commerce of Venezuela and the Chamber of Commerce of the United States, also has just been signed, writes Dr. Sherwell. All of this, he said, was "good news." Similar conventions between the national trade bodies of this country and some of the other American republics already are in operation and the results so far achieved are said to be excellent. This leads interested trade officials to believe that such machinery for the prompt and efficient treatment of disputes which may arise between business men and concerns of various countries will be set up one after another in the countries with which the United States deals.

NOTAS DEPORTIVAS
EL MATCH DE BASE-BALL

[From *El Imparcial*, July 18, 1920.]

Esta mañana, en los bonitos terrenos del Centro Atlético y con una numerosa concurrencia, florida por el elemento femenil, efectuóse el desafío concertado entre dos novenas de base ball, formadas la una por los estudiantes norteamericanos de la Universidad de Georgetown y la otra por discípulos del Colegio Salesiano de esta ciudad.

En verdad, la proporción atlética no era muy justa: los americanos llevaban la ventaja en todo: tamaño, edad, fuerzas; pero, los muchachos del Salesiano hicieron el mayor esfuerzo por quedar bien y a última hora, cuando en el *inning* final los de





TROPHY PRESENTED TO GEORGETOWN STUDENTS BY
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Georgetown se anotaron un "chorro" de carreras que hacía aparecer la "pela" como vergonzosa, los criollitos se rehicieron y metieron otras tantas, salvando el honor, por lo menos *in partibus*.

Entre éstos hay que consignar un aplauso para la tercera base de los Salesianos, Franco Russo, que fué el héroe de la fiesta. El juego se cargó desde el comienzo sobre tercera; en sus manos estuvo toda la defensa y el muchacho se portó como un campeón, pues en sus manos cayeron por lo menos nueve *outs*.

También estuvo muy activo y eficas Coraíto. Y se distinguieron Maal, Castellano, Pérez, López, Ravelo y Arratia (M).

De los americanos, recordaremos especialmente un foul-out por el catcher Fanning y otro por la 3a. base Hopkins; una estupenda cogida, corriendo y de espaldas, por el Short-Stop Frazee y todo el "trabajo" del día por la primera base Joe Quinlan.

De una y otra parte batearon duro y ninguno de los dos pitchers llegó completo al final.

Después del juego las novenas y algunos concurrentes fueron invitados al Colegio y obsequiados allí por los R. R. P. P. Salesianos. Hubo vivas en honor de la Universidad de Georgetown, a los que correspondieron los americanos con hurras a los estudiantes venezolanos.

El Colegio Salesiano regaló a los de Georgetown una bola, la última con que se jugó, con la siguiente inscripción: "Caracas—Venezuela—El Colegio Salesiano a los estudiantes de Georgetown."

Fué, en todo, una fiesta de simpatía y de confraternidad, sin otro estímulo mayor que el verdadero amor al deporte, puesto que, sabido es, los jóvenes norteños no son profesionales del baseball, sino que tienen la innata afición de los jóvenes de su país por la cultura física.

Y este juego con los Salesianos ha sacudido el dormido entusiasmo besbolístico, con sus mañanas llenas de sol y alegres de mujeres, pues ya se habla de un próximo encuentro en los mismos terrenos y a beneficio de la Cruz Roja Venezolana, entre los estudiantes de Georgetown y un team escogido entre los mejores jugadores de clubs caraqueños extinguidos y en actividad, como *Samanes, Independencia, Salesianos*, etc.

Así sea y tendremos un juego sensacional.

Score por *innings* del juego efectuado esta mañana entre los Estudiantes de la Universidad de Georgetown y los alumnos del Colegio Salesiano de Caracas:

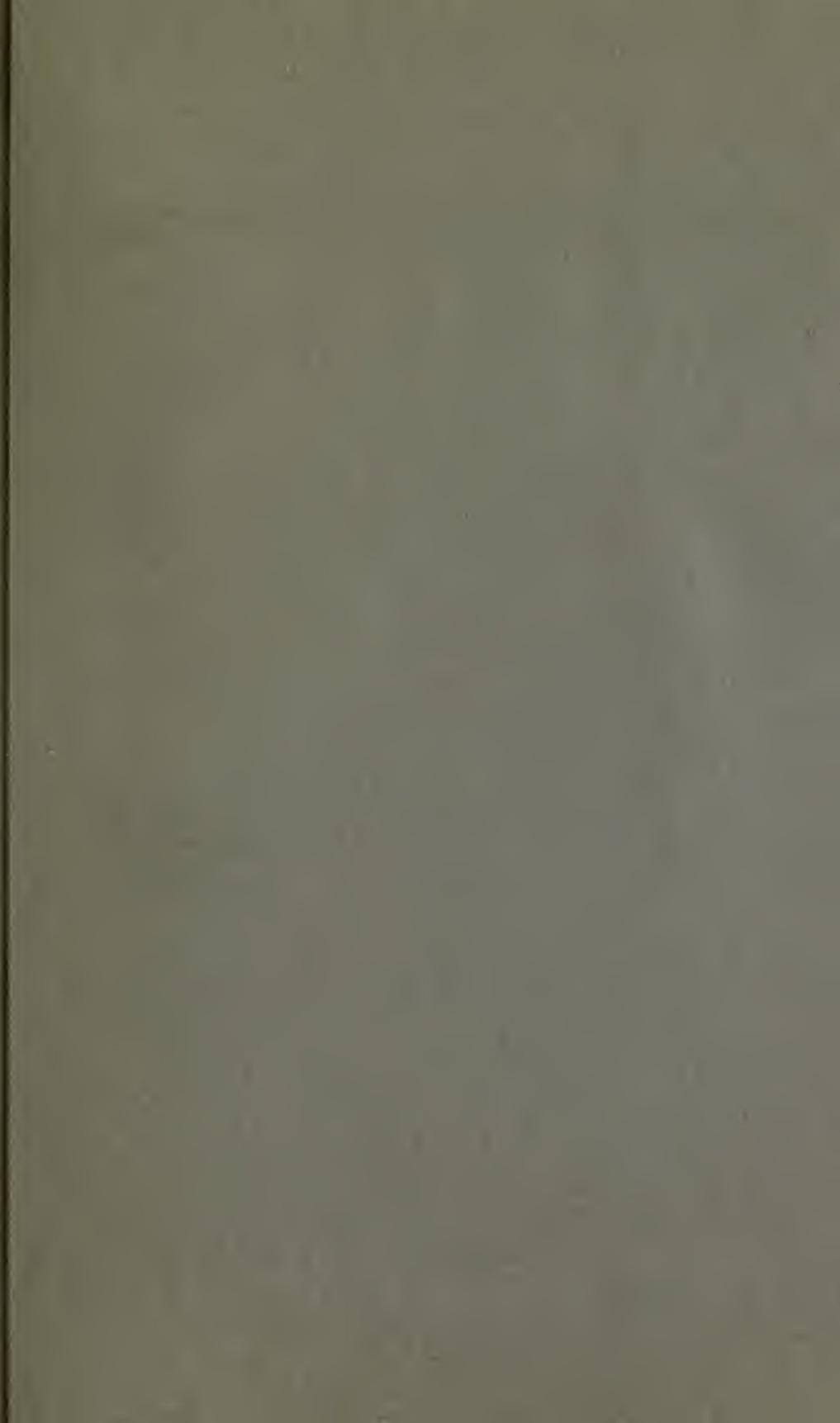
Estudiantes de Georgetown

1 0 2 0 0 3 0 0 5—Total 11
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Salesianos

0 1 0 0 2 0 0 1 4—Total 8

A. MATEUR.



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